

SERFF Tracking Number: USLI-125849629 State: Arkansas
Filing Company: United States Liability Insurance Company State Tracking Number: EFT \$50
Company Tracking Number: PERS-HBP-08-10-F
TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0002 Businessowners
Liability
Product Name: Home Business
Project Name/Number: PERS-HBP-08-10/PERS-HBP-08-10

Filing at a Glance

Company: United States Liability Insurance Company

Product Name: Home Business SERFF Tr Num: USLI-125849629 State: Arkansas
TOI: 05.0 Commercial Multi-Peril - Liability & Non-Liability SERFF Status: Closed State Tr Num: EFT \$50

Sub-TOI: 05.0002 Businessowners Co Tr Num: PERS-HBP-08-10-F State Status: Fees verified and received

Filing Type: Form Co Status: Reviewer(s): Betty Montesi, Llyweyia Rawlins

Authors: Mark Miller, Patti Ivey Disposition Date: 10/27/2008

Date Submitted: 10/08/2008 Disposition Status: Approved

Effective Date Requested (New): On Approval Effective Date (New): 11/08/2008

Effective Date Requested (Renewal): On Approval Effective Date (Renewal): 11/08/2008

State Filing Description:

General Information

Project Name: PERS-HBP-08-10

Project Number: PERS-HBP-08-10

Reference Organization:

Reference Title:

Filing Status Changed: 10/27/2008

State Status Changed: 10/16/2008

Corresponding Filing Tracking Number: PERS-HBP-08-10-R

Filing Description:

As approximately 1 in 10 households operate some type of home-based business, there is tremendous growth potential for providing insurance that is tailored to meet the needs of home-based business owners. To service this insurance niche, we are filing to introduce a new product known as the HomeBiz Product. This product is designed to offer the home-based business supplementary coverage for exposures that are either limited or excluded by the ISO

Status of Filing in Domicile: Authorized

Domicile Status Comments:

Reference Number:

Advisory Org. Circular:

Deemer Date:

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Homeowners product. Specifically, our product will offer business personal property protection above the ISO form's \$2,500 property limitation, to home-based businesses.

Company and Contact

Filing Contact Information

Mark Miller, State Filings Manager mmiller@usli.com
 190 South Warner Road (888) 523-5545 [Phone]
 Wayne, PA 19087-2191 (610) 688-4391[FAX]

Filing Company Information

United States Liability Insurance Company CoCode: 25895 State of Domicile: Pennsylvania
 190 South Warner Road Group Code: 31 Company Type: Property & Casualty

PO Box 6700
 Wayne, PA 19087-2191 Group Name: Berkshire Hathaway State ID Number:
 Group
 (888) 523-5545 ext. 586[Phone] FEIN Number: 23-1383313

Filing Fees

Fee Required? Yes
 Fee Amount: \$50.00
 Retaliatory? No
 Fee Explanation:
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
United States Liability Insurance Company	\$50.00	10/08/2008	23041917

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Llyweyia Rawlins	10/27/2008	10/27/2008

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	10/23/2008	10/23/2008	Mark Miller	10/27/2008	10/27/2008

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Disposition

Disposition Date: 10/27/2008

Effective Date (New): 11/08/2008

Effective Date (Renewal): 11/08/2008

Status: Approved

Comment:

Rate data does NOT apply to filing.

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Form	Businessowners Coverage Form	Approved	Yes
Form	Comprehensive Business Liability Exclusion	Approved	Yes
Form	Additional Insured - Managers or Lessors of Premises	Approved	Yes
Form	Additional Insured - State or Political Subdivisions	Approved	Yes
Form	Additional insured - Mortgagee, Assignee or Receiver	Approved	Yes
Form	Additional Insured - Co Owner	Approved	Yes
Form	Limitation of Coverage to Designated Premises	Approved	Yes
Form	Additional Insured - Lessor of Leased Equipment	Approved	Yes
Form	Employment Related Practices Exclusion	Approved	Yes
Form	Protective Safeguards	Approved	Yes
Form	Additional Insured - Designated Person or Organization	Approved	Yes
Form	Additional Insured - State or Political Subdivisions - Permits	Approved	Yes
Form	Named Perils	Approved	Yes
Form	Loss Payable Provisions	Approved	Yes
Form	Business Income and Extra Expense Exclusion	Approved	Yes
Form	Theft Limitation	Approved	Yes
Form	Theft Exclusion	Approved	Yes
Form	Business Income & Extra Expense	Approved	Yes
Form	Hired Auto & Non-Owned Auto Liability	Approved	Yes
Form	Firearms Exclusion	Approved	Yes
Form	Assault and Battery Exclusion	Approved	Yes
Form	Exclusion - Property of Others	Approved	Yes

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Form	Exclusion - Loss or Damage by Theft of Certain Items	Approved	Yes
Form	Equipment Breakdown Enhancement Endorsement	Approved	Yes
Form	Exclusion - Asbestos, Lead Contamination, Absolute Pollution, Mold, Fungus, Bacteria, Virus, and Organic Pathogen	Approved	Yes
Form	Absolute , Organic Pathogen, Silica, Asbestos and Lead	Approved	Yes
Form	Businessowners Value Plus Endorsement	Approved	Yes
Form	Exclusion - Athletic Activity or Sport Participants	Approved	Yes
Form	Additional Insured - Grantor of Franchise	Approved	Yes
Form	Business Income & Extra Expense Coverage Limitation	Approved	Yes
Form	Exclusion - Violation of Statutes	Approved	Yes
Form	Exclusion - Designated Products	Approved	Yes
Form (revised)	Punitive or Exemplary Damages Exclusion	Approved	Yes
Form	Punitive or Exemplary Damages Exclusion	Approved	Yes
Form	Absolute Liquor Liability Exclusion	Approved	Yes
Form	Expanded Definition of Bodily Injury	Approved	Yes
Form	Amendatory Endorsement - Who is an insured	Approved	Yes
Form	Mortgagee/Loss Payable Provision	Approved	Yes
Form	Businessowner's Value Endorsement	Approved	Yes
Form	Expanded Definition of Bodily Injury	Approved	Yes
Form	Extension of Terrorism Coverage	Approved	Yes
Form	Disclosure Notice	Approved	Yes
Form	Tanning Exclusion	Approved	Yes
Form	Special Events Exclusion Exception for Scheduled Events	Approved	Yes

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Form	Exclusion - Laundry and Dry Cleaning Damage	Approved	Yes
Form	Basement or Below Grade Level Water Damage Exclusion	Approved	Yes
Form	Animal Exclusion	Approved	Yes
Form	Amendment of Premium Audit Conditions	Approved	Yes
Form	Business Personal Property - "Stock" Exclusion	Approved	Yes
Form	Functional Business Personal Property	Approved	Yes
Form	Limited Fungi or Bacteria Coverage	Approved	Yes
Form	Businessowners Liability Coverage Declarations	Approved	Yes
Form	Minimum Earned Premium Endorsement	Approved	Yes
Form	Declarations	Approved	Yes
Form	Exclusion - Personal and Advertising Injury	Approved	Yes
Form	Medical Expenses - Exclusion	Approved	Yes
Form	Business Liability Coverage - Tenants Liability	Approved	Yes
Form	Additional Insured - Controlling Interest	Approved	Yes
Form	Section IV - Errors & Omissions Liability Insurance Coverage Form	Approved	Yes
Form	Integration Endorsement	Approved	Yes
Form	Financial Services Exclusion	Approved	Yes
Form	Claims Adjuster Exclusion	Approved	Yes
Form	Travel Agents Exclusion	Approved	Yes
Form	Reprinting Cost Exclusion	Approved	Yes
Form	Professional Services Exclusion	Approved	Yes
Form	Franchisor Operations Exclusion	Approved	Yes
Form	Retroactive Date Endorsement	Approved	Yes
Form	Insurance Risk Managers Endorsement	Approved	Yes
Form	Products and Completed Operations Exclusion	Approved	Yes

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Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 10/23/2008
Submitted Date 10/23/2008
Respond By Date 11/06/2008

Dear Mark Miller,

Form: BP 00 03 Businessowners Coverage Form - Page 17 of 43

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."

Form: BP 85 Punitive or Exemplary Damages Exclusion

This filing must be amended to comply with Bulletin 4-82 which requires punitive or exemplary damages to be defined. An acceptable definition would be "Those damages imposed to punish a wrongdoer and to deter others from similar conduct."

Sincerely,
Llyweyia Rawlins

Please feel free to contact me if you have questions.

Sincerely,
Llyweyia Rawlins

Response Letter

Response Letter Status Submitted to State
Response Letter Date 10/27/2008
Submitted Date 10/27/2008

Dear Llyweyia Rawlins,

Comments:

Response 1

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Comments: In response to your objection please find a revised BP-85 and a revised Arkansas Amendatory.

Changed Items:

No Supporting Documents changed.

Form Schedule Item Changes

Form Name	Form Number	Edition Date	Form Type	Action	Action Specific Data	Readability Score	Attach Document
Punitive or Exemplary Damages Exclusion	BP-85AR	06/08	Endorsement/Amendment/Conditions	New		0	bp-85-ar_(06-08).pdf
Previous Version							
Punitive or Exemplary Damages Exclusion	BP-85	01/06	Endorsement/Amendment/Conditions	New		0	bp-85_(01-06).pdf
Arkansas Changes	BP AR	10/08	Endorsement/Amendment/Conditions	New			BP AR 10-08.pdf
Previous Version							
Arkansas Changes	BP 01 53	02/07	Endorsement/Amendment/Conditions	New			BP0153 02 07.pdf

No Rate/Rule Schedule items changed.

Sincerely,
 Mark Miller, Patti Ivey

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Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Businessowners Coverage Form	BP 00 03	07/02	Policy/Coverage Form		0.00	bp-00-03-07-02.pdf
Approved	Comprehensive Business Liability Exclusion	BP 04 01	07/02	Endorsement/Amendment/Conditions	New	0.00	bp-04-01-07-02.pdf
Approved	Additional Insured - Managers or Lessors of Premises	BP 04 02	07/02	Endorsement/Amendment/Conditions	New	0.00	bp-04-02-07-02.pdf
Approved	Additional Insured - State or Political Subdivisions	BP 04 07	07/02	Endorsement/Amendment/Conditions	New	0.00	bp-04-07-07-02.pdf
Approved	Additional insured - Mortgagee, Assignee or Receiver	BP 04 09	07/02	Endorsement/Amendment/Conditions	New	0.00	bp-04-09-07-02.pdf
Approved	Additional Insured - Co Owner	BP 04 11	07/02	Endorsement/Amendment/Conditions	New	0.00	bp-04-11-07-02.pdf
Approved	Limitation of Coverage to Designated Premises	BP 04 12	07/02	Endorsement/Amendment/Conditions	New	0.00	bp-04-12-07-02.pdf
Approved	Additional Insured - Lessor of Leased Equipment	BP 04 16	07/02	Endorsement/Amendment/Conditions	New	0.00	bp-04-16-07-02.pdf
Approved	Employment	BP 04 17	07/02	Endorsement/Amendment/Conditions	New	0.00	bp-04-17-07-

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	Related Practices			nt/Amendm		02.pdf
	Exclusion			ent/Condi		
				ons		
Approved	Protective Safeguards	BP-115	07/08	Endorseme New nt/Amendm ent/Condi ons	0.00	BP 115 _07-08_.pdf
Approved	Additional Insured - Designated Person or Organization	BP 04 48	07/02	Endorseme New nt/Amendm ent/Condi ons	0.00	bp-04-48-07-02.pdf
Approved	Additional Insured - State or Political Subdivisions - Permits	BP 04 52	07/02	Endorseme New nt/Amendm ent/Condi ons	0.00	bp-04-52-07-02.pdf
Approved	Named Perils	BP 10 09	07/02	Endorseme New nt/Amendm ent/Condi ons	0.00	bp-10-09-07-02.pdf
Approved	Loss Payable Provisions	BP 12 03	07/02	Endorseme New nt/Amendm ent/Condi ons	0.00	bp-12-03-07-02.pdf
Approved	Business Income and Extra Expense Exclusion	BP-1	05/04	Endorseme New nt/Amendm ent/Condi ons	0.00	bp-1_(05-04).pdf
Approved	Theft Limitation	BP-10	05/04	Endorseme New nt/Amendm ent/Condi ons	0.00	bp-10_(05-04).pdf
Approved	Theft Exclusion	BP-14	11/06	Endorseme New nt/Amendm ent/Condi ons	0.00	bp-14_(11-06).pdf

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Approved	Business Income BP-15 & Extra Expense	07/04	Endorsement/Amendment/Conditions	New	0.00	bp-15_(07-04).pdf
Approved	Hired Auto & Non-Owned Auto Liability	BP-17 05/04	Endorsement/Amendment/Conditions	New	0.00	bp-17_(05-04).pdf
Approved	Firearms Exclusion	BP-19 05/04	Endorsement/Amendment/Conditions	New	0.00	bp-19_(05-04).pdf
Approved	Assault and Battery Exclusion	L-461 11/07	Endorsement/Amendment/Conditions	New	0.00	l-461_(11-07).pdf
Approved	Exclusion - Property of Others	BP-41 08/04	Endorsement/Amendment/Conditions	New	0.00	bp-41_(08-04).pdf
Approved	Exclusion - Loss or Damage by Theft of Certain Items	BP-44 08/04	Endorsement/Amendment/Conditions	New	0.00	bp-44_(08-04).pdf
Approved	Equipment Breakdown Enhancement Endorsement	BP-47 08/08	Endorsement/Amendment/Conditions	New	0.00	BP 47 _08-08_ Equip Breakdown.pdf
Approved	Exclusion - Asbestos, Lead Contamination, Absolute Pollution, Mold, Fungus, Bacteria, Virus, and Organic Pathogen	BP-48 05/04	Endorsement/Amendment/Conditions	New	0.00	bp-48_(05-04).pdf

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Approved	Absolute , Organic Pathogen, Silica, Asbestos and Lead	BP-49	11/07	Endorseme New nt/Amendm ent/Condi tions	0.00	bp-49_(11- 07).pdf
Approved	Businessowners Value Plus Endorsement	BP-57	05/04	Endorseme New nt/Amendm ent/Condi tions	0.00	bp-57_(05- 04).pdf
Approved	Exclusion - Athletic Activity or Sport Participants	BP-59	03/04	Endorseme New nt/Amendm ent/Condi tions	0.00	bp-59_(03- 04).pdf
Approved	Additional Insured - Grantor of Franchise	BP-6	05/04	Endorseme New nt/Amendm ent/Condi tions	0.00	bp-6_(05- 04).pdf
Approved	Business Income & Extra Epense Coverage Limitation	BP-72	02/05	Endorseme New nt/Amendm ent/Condi tions	0.00	bp-72_(02- 05).pdf
Approved	Exclusion - Violation of Statutes	BP-78	05/05	Endorseme New nt/Amendm ent/Condi tions	0.00	bp-78_(05- 05).pdf
Approved	Exclusion - Designated Products	BP-79	05/05	Endorseme New nt/Amendm ent/Condi tions	0.00	bp-79_(05- 05).pdf
Approved	Punitive or Exemplary Damages Exclusion	BP-85AR	06/08	Endorseme New nt/Amendm ent/Condi tions	0.00	bp-85- ar_(06- 08).pdf
Approved	Absolute Liquor Liability Exclusion	BP-86	03/06	Endorseme New nt/Amendm ent/Condi tions	0.00	bp-86_(03- 06).pdf

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Approved	Expanded Definition of Bodily Injury	BP-88	04/06	Endorsement/Amendment/Conditions	New	0.00	bp-88_(04-06).pdf
Approved	Amendatory Endorsement - Who is an insured	BP-90	07/06	Endorsement/Amendment/Conditions	New	0.00	bp-90_(07-06).pdf
Approved	Mortgagee/Loss Payable Provision	BP-92	11/06	Endorsement/Amendment/Conditions	New	0.00	bp-92_(11-06).pdf
Approved	Businessowner's Value Endorsement	BP-93	01/07	Endorsement/Amendment/Conditions	New	0.00	bp-93_(01-07).pdf
Approved	Expanded Definition of Bodily Injury	L-610	11/04	Endorsement/Amendment/Conditions	New	0.00	l-610_(11-04).pdf
Approved	Extension of Terrorism Coverage	L-541	01/08	Endorsement/Amendment/Conditions	New	0.00	l-541_(01-08).pdf
Approved	Disclosure Notice	TRIADN	01/08	Endorsement/Amendment/Conditions	New	0.00	triadn_(01-08).pdf
Approved	Tanning Exclusion	BP-13	05/04	Endorsement/Amendment/Conditions	New	0.00	bp-13_(05-04).pdf
Approved	Special Events Exclusion Exception for Scheduled Events	BP-30	05/04	Endorsement/Amendment/Conditions	New	0.00	bp-30_(05-04).pdf

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Approved	Exclusion - Laundry and Dry Cleaning Damage	BP-42	08/04	Endorsement/Amendment/Conditions	New	0.00	bp-42_(08-04).pdf
Approved	Basement or Below Grade Level Water Damage Exclusion	BP-45	08/04	Endorsement/Amendment/Conditions	New	0.00	bp-45_(08-04).pdf
Approved	Animal Exclusion	BP-58	05/07	Endorsement/Amendment/Conditions	New	0.00	bp-58_(05-07).pdf
Approved	Amendment of Premium Audit Conditions	BP-77B	06/06	Endorsement/Amendment/Conditions	New	0.00	bp-77-b_(06-06).pdf
Approved	Business Personal Property - "Stock" Exclusion	BP-100	11/07	Endorsement/Amendment/Conditions	New	0.00	bp-100_(11-07).pdf
Approved	Functional Business Personal Property	BP 04 85	07/02	Endorsement/Amendment/Conditions	New	0.00	bp-04-85-07-02.pdf
Approved	Limited Fungi or Bacteria Coverage	BP 05 76	11/02	Endorsement/Amendment/Conditions	New	0.00	bp-05-76-11-02.pdf
Approved	Businessowners Liability Coverage Declarations	CL-150	10/03	Declaration New	Schedule	0.00	cl-150`.PDF
Approved	Minimum Earned Premium Endorsement	L-367	08/03	Endorsement/Amendment/Conditions	New	0.00	l-367_(08-03).pdf
Approved	Declarations	USL-BPD	01/05	Declaration New		0.00	USLI BPD

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Approval	Description	BP	Effective Date	Policy/Endorsement/Conditions	Amount	Attachment
Approved	Exclusion - Personal and Advertising Injury	BP 04 37	07/02	Endorsement/Amendment/Conditions	0.00	01-05.pdf bp-04-37-07-02.pdf
Approved	Medical Expenses - Exclusion	BP 04 38	07/02	Endorsement/Amendment/Conditions	0.00	bp-04-38-07-02.pdf
Approved	Business Liability Coverage - Tenants Liability	BP 04 55	07/02	Endorsement/Amendment/Conditions	0.00	bp-04-55-07-02.pdf
Approved	Additional Insured - Controlling Interest	BP 04 06	07/02	Endorsement/Amendment/Conditions	0.00	bp-04-06-07-02.pdf
Approved	Section IV - Errors & Omissions Liability Insurance Coverage Form	BP-117	06/08	Policy/Coverage Form	0.00	BP 117 _06-08_ _2_.pdf
Approved	Integration Endorsement	HBP-100	05/08	Endorsement/Amendment/Conditions	0.00	HBP 100 _05-08_ _2_.pdf
Approved	Financial Services Exclusion	HBP-101	08/08	Endorsement/Amendment/Conditions	0.00	HBP 101 _08-08_.pdf
Approved	Claims Adjuster Exclusion	HBP-102	08/08	Endorsement/Amendment/Conditions	0.00	HBP 102 _08-08_ _2_.pdf
Approved	Travel Agents Exclusion	HBP-103	08/08	Endorsement/Amendment	0.00	HBP 103 _08-08_.pdf

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Approval	Description	Policy No.	Effective Date	Document Title	Amount	File Name
Approved	Reprinting Cost Exclusion	HBP-104	08/08	Endorsement/Amendment/Conditions	0.00	HBP 104_08-08_2_.pdf
Approved	Professional Services Exclusion	HBP-105	08/08	Endorsement/Amendment/Conditions	0.00	HBP 105_08-08_.pdf
Approved	Franchisor Operations Exclusion	HBP-106	08/08	Endorsement/Amendment/Conditions	0.00	HBP 106_08-08_2_.pdf
Approved	Retroactive Date Endorsement	HBP-107	08/08	Endorsement/Amendment/Conditions	0.00	HBP 107_08-08_.pdf
Approved	Insurance Risk Managers Endorsement	HBP-108	08/08	Endorsement/Amendment/Conditions	0.00	HBP 108_08-08_.pdf
Approved	Products and Completed Operations Exclusion	HBP-109	08/08	Endorsement/Amendment/Conditions	0.00	HBP 109_08-08_.pdf
Approved	Declarations Page	USLI-BPD	01/05	Declaration News/Schedule	0.00	USLI BPD 01-05.pdf
Approved	Exclusion of Certified Acts of Terrorism	BP-104	01/08	Endorsement/Amendment/Conditions	0.00	bp-104_(01-08).pdf
Approved	Arkansas Changes	BP AR	10/08	Endorsement/Amendment/Conditions		BP AR 10-08.pdf

BUSINESSOWNERS 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 Coverage Form 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.

In **Section II – Liability**, the word "insured" means any person or organization qualifying as such under Paragraph **C – Who Is An Insured**.

Other words and phrases that appear in quotation marks have special meaning. Refer to Paragraph **H. Property Definitions** in **Section I – Property** and Paragraph **F. Liability And Medical Expenses Definitions** in **Section II – Liability**.

SECTION I – PROPERTY

A. Coverage

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

1. Covered Property

Covered Property includes Buildings as described under Paragraph **a.** below, Business Personal Property as described under Paragraph **b.** below, or both, depending on whether a Limit of Insurance is shown in the Declarations for that 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 **2. Property Not Covered**.

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

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;
- (3) Permanently installed:
 - (a) Machinery; and
 - (b) Equipment;
- (4) Your personal property in apartments, rooms or common areas furnished by you as landlord;
- (5) Personal property owned by you that is used to maintain or service the buildings or structures or the premises, including:

- (a) Fire extinguishing equipment;
 - (b) Outdoor furniture;
 - (c) Floor coverings; and
 - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
- (6) If not covered by other insurance:
- (a) Additions under construction, alterations and repairs to the buildings or structures;
 - (b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the buildings or structures.

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

- (1) Property you own that is used in your business;
- (2) Property of others that is in your care, custody or control, except as otherwise provided in Loss Payment Property Loss Condition Paragraph **E.6.d.(3)(b)**;
- (3) Tenant's improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
 - (a) Made a part of the building or structure you occupy but do not own; and
 - (b) You acquired or made at your expense but cannot legally remove; and
- (4) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Paragraph **1.b.(2)**.
- (5) Exterior building glass, if you are a tenant and no Limit of Insurance is shown in the Declarations for Building property. The glass must be owned by you or in your care, custody or control.

2. Property Not Covered

Covered Property does not include:

- a.** Aircraft, automobiles, motortrucks and other vehicles subject to motor vehicle registration;

- b. "Money" or "securities" except as provided in the:
 - (1) Money and Securities Optional Coverage; or
 - (2) Employee Dishonesty Optional Coverage;
- c. Contraband, or property in the course of illegal transportation or trade;
- d. Land (including land on which the property is located), water, growing crops or lawns;
- e. Outdoor fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, signs (other than signs attached to buildings), trees, shrubs or plants, all except as provided in the:
 - (1) Outdoor Property Coverage Extension; or
 - (2) Outdoor Signs Optional Coverage;
- f. Watercraft (including motors, equipment and accessories) while afloat.
- g. Accounts, bills, food stamps, other evidences of debt, accounts receivable or "valuable papers and records"; except as otherwise provided in this policy.
- h. "Computer(s)" which are permanently installed or designed to be permanently installed in any aircraft, watercraft, motortruck or other vehicle subject to motor vehicle registration. This paragraph does not apply to "computer(s)" while held as "stock".

3. Covered Causes Of Loss

Risks of direct physical loss unless the loss is:

- a. Excluded in Paragraph **B**. Exclusions in Section **I**; or
- b. Limited in Paragraph **4**. Limitations in Section **I**.

4. Limitations

- a. We will not pay for loss of or damage to:
 - (1) Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

- (2) Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
- (3) Property that is missing, 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 limitation does not apply to the Optional Coverage for Money and Securities.
- (4) Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
- (5) The interior of any building or structure caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
 - (a) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
 - (b) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.
- b. We will not pay for loss of or damage to fragile articles such as glassware, statuary, marbles, chinaware and porcelains, if broken, unless caused by the "specified causes of loss" or building glass breakage. This restriction does not apply to:
 - (1) Glass that is part of the exterior or interior of a building or structure;
 - (2) Containers of property held for sale; or
 - (3) 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) \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
 - (3) \$2,500 for patterns, dies, molds and forms.

5. Additional Coverages

a. Debris Removal

- (1) Subject to Paragraphs (3) and (4), we will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
- (2) Debris Removal does not apply to costs to:
 - (a) Extract "pollutants" from land or water; or
 - (b) Remove, restore or replace polluted land or water.
- (3) Subject to the exceptions in Paragraph (4), the following provisions apply:
 - (a) The most that we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.
 - (b) Subject to Paragraph (a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.
- (4) We will pay up to an additional \$10,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:
 - (a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
 - (b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if Paragraphs (4)(a) and/or (4)(b) apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$10,000.

(5) Examples

Example #1

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

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

Example #2

Limit of Insurance	\$ 90,000
Amount of Deductible	\$ 500
Amount of Loss	\$ 80,000
Amount of Loss Payable	\$ 79,500
	(\$80,000 – \$500)
Debris Removal Expense	\$ 30,000
Debris Removal Expense Payable	
Basic Amount	\$ 10,500
Additional Amount	\$ 10,000

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

The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph (4), because the debris removal expense (\$30,000) exceeds 25% of the loss payable plus the deductible (\$30,000 is 37.5% of \$80,000), and because the sum of the loss payable and debris removal expense (\$79,500 + \$30,000 = \$109,500) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expense is \$10,000, the maximum payable under Paragraph (4). Thus the total payable for debris removal expense in this example is \$20,500; \$9,500 of the debris removal expense is not covered.

b. Preservation Of Property

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

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

c. Fire Department Service Charge

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

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

d. Collapse

- (1) With respect to buildings:
 - (a) Collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose;
 - (b) A building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse;
 - (c) A part of a building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building;

- (d) A building that is standing or any part of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
- (2) We will pay for direct physical loss or damage to Covered Property, caused by collapse of a building or any part of a building that is insured under this policy, if the collapse is caused by one or more of the following:
 - (a) The "specified causes of loss" or breakage of building glass, all only as insured against in this policy;
 - (b) Decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
 - (c) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
 - (d) Weight of people or personal property;
 - (e) Weight of rain that collects on a roof;
 - (f) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation. However, if the collapse occurs after construction, remodeling or renovation is complete and is caused in part by a cause of loss listed in Paragraphs (a) through (e), we will pay for the loss or damage even if use of defective material or methods in construction, remodeling or renovation, contributes to the collapse.

The criteria set forth in Paragraphs (1)(a) through (1)(d) do not limit the coverage otherwise provided under this Additional Coverage for the causes of loss listed in Paragraphs (2)(a), (2)(d) and (2)(e).

- (3) With respect to the following property:
 - (a) Awnings;
 - (b) Gutters and downspouts;
 - (c) Yard fixtures;
 - (d) Outdoor swimming pools;
 - (e) Piers, wharves and docks;

- (f) Beach or diving platforms or appurtenances;
- (g) Retaining walls; and
- (h) Walks, roadways and other paved surfaces;

if the collapse is caused by a cause of loss listed in Paragraphs (2)(b) through (2)(f), we will pay for loss or damage to that property only if such loss or damage is a direct result of the collapse of a building insured under this policy and the property is Covered Property under this policy.

- (4) If personal property abruptly falls down or caves in and such collapse is not the result of collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:
 - (a) The collapse was caused by a cause of loss listed in Paragraphs (2)(a) through (2)(f) of this Additional Coverage;
 - (b) The personal property which collapses is inside a building; and
 - (c) The property which collapses is not of a kind listed in Paragraph (3) above, regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph (4) does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

Collapse of personal property does not mean cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

- (5) This Additional Coverage, Collapse, will not increase the Limits Of Insurance provided in this policy.

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

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

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

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

f. Business Income

(1) Business Income

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

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

- (i) The portion of the building which you rent, lease or occupy; and
 - (ii) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.
- (b) We will only pay for loss of Business Income that you sustain during the "period of restoration" and that occurs within 12 consecutive months after the date of direct physical loss or damage. We will only pay for ordinary payroll expenses for 60 days following the date of direct physical loss or damage, unless a greater number of days is shown in the Declarations.

- (c) Business Income means the:
- (i) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses; and
 - (ii) Continuing normal operating expenses incurred, including payroll.
- (d) Ordinary payroll expenses:
- (i) Mean payroll expenses for all your employees except:
 - i. Officers;
 - ii. Executives;
 - iii. Department Managers;
 - iv. Employees under contract; and
 - v. Additional Exemptions shown in the Declarations as:
 - Job Classifications; or
 - Employees.
 - (ii) Include:
 - i. Payroll;
 - ii. Employee benefits, if directly related to payroll;
 - iii. FICA payments you pay;
 - iv. Union dues you pay; and
 - v. Workers' compensation premiums.

(2) Extended Business Income

- (a) If the necessary suspension of your "operations" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you incur during the period that:
 - (i) Begins on the date property except finished stock is actually repaired, rebuilt or replaced and "operations" are resumed; and

- (ii) Ends on the earlier of:
 - i. The date you could restore your "operations", with reasonable speed, to the level which would generate the Business Income amount that would have existed if no direct physical loss or damage had occurred; or
 - ii. 30 consecutive days after the date determined in Paragraph (a)(i) above, unless a greater number of consecutive days is shown in the Declarations.

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

- (b) Loss of Business Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.
- (3) With respect to the coverage provided in this Additional Coverage, suspension means:
 - (a) The partial slowdown or complete cessation of your business activities; and
 - (b) That a part or all of the described premises is rendered untenable, if coverage for Business Income applies.
- (4) This Additional Coverage is not subject to the Limits of Insurance of **Section I – Property**.

g. Extra Expense

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

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

- (a) The portion of the building which you rent, lease or occupy; and
 - (b) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.
- (2) Extra Expense means expense incurred:
- (a) To avoid or minimize the suspension of business and to continue "operations":
 - (i) At the described premises; or
 - (ii) At replacement premises or at temporary locations, including relocation expenses, and costs to equip and operate the replacement or temporary locations.
 - (b) To minimize the suspension of business if you cannot continue "operations".
 - (c) To:
 - (i) Repair or replace any property; or
 - (ii) Research, replace or restore the lost information on damaged "valuable papers and records"to the extent it reduces the amount of loss that otherwise would have been payable under this Additional Coverage or Additional Coverage f. Business Income.
- (3) With respect to the coverage provided in this Additional Coverage, suspension means:
- (a) The partial slowdown or complete cessation of your business activities; and
 - (b) That a part or all of the described premises is rendered untenable, if coverage for Business Income applies.
- (4) We will only pay for Extra Expense that occurs within 12 consecutive months after the date of direct physical loss or damage. This Additional Coverage is not subject to the Limits of Insurance of **Section I – Property**.

h. Pollutant Clean Up And Removal

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

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

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

i. Civil Authority

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

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

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

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

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

j. Money Orders And Counterfeit Paper Currency

We will pay for loss resulting directly from your having accepted in good faith, in exchange for merchandise, "money" or services:

- (1) Money orders issued by any post office, express company or bank that are not paid upon presentation; or
- (2) "Counterfeit" paper currency that is acquired during the regular course of business.

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

k. Forgery Or Alteration

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

l. Increased Cost Of Construction

- (1) This Additional Coverage applies only to buildings insured on a replacement cost basis.
- (2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with enforcement of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in Paragraphs (3) through (9) of this Additional Coverage.

- (3) The ordinance or law referred to in Paragraph (2) of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises, and is in force at the time of loss.

- (4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:

- (a) You were required to comply with before the loss, even when the building was undamaged; and
- (b) You failed to comply with.

- (5) Under this Additional Coverage, we will not pay any costs associated with the enforcement of an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

- (6) The most we will pay under this Additional Coverage, for each described building insured under **Section I – Property**, is \$10,000. If a damaged building(s) is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for each damaged building, is \$10,000.

The amount payable under this Additional Coverage is additional insurance.

- (7) With respect to this Additional Coverage:

- (a) We will not pay for the Increased Cost of Construction:

- (i) Until the property is actually repaired or replaced, at the same or another premises; and
- (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

- (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction is the increased cost of construction at the same premises.

- (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction is the increased cost of construction at the new premises.
- (8) This Additional Coverage is not subject to the terms of the Ordinance or Law Exclusion, to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.
- (9) The costs addressed in the Loss Payment Property Loss Condition in **Section I – Property** do not include the increased cost attributable to enforcement of an ordinance or law. The amount payable under this Additional Coverage, as stated in Paragraph (6) of this Additional Coverage, is not subject to such limitation.

m. Business Income From Dependent Properties

- (1) We will pay for the actual loss of Business Income you sustain due to physical loss or damage at the premises of a dependent property caused by or resulting from any Covered Cause of Loss.
The most we will pay under this Additional Coverage is \$5,000 unless a higher Limit of Insurance is indicated in the Declarations.
- (2) We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume "operations", in whole or in part, by using any other available:
 - (a) Source of materials; or
 - (b) Outlet for your products.
- (3) If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.
- (4) Dependent property means property owned by others whom you depend on to:
 - (a) Deliver materials or services to you, or to others for your account. But services does not mean water, communication or power supply services;
 - (b) Accept your products or services;

- (c) Manufacture your products for delivery to your customers under contract for sale; or
- (d) Attract customers to your business.
The dependent property must be located in the coverage territory of this policy.
- (5) The coverage period for Business Income under this Additional Coverage:
 - (a) Begins 72 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the premises of the dependent property; and
 - (b) Ends on the date when the property at the premises of the dependent property should be repaired, rebuilt or replaced with reasonable speed and similar quality.
- (6) The Business Income coverage period, as stated in Paragraph (5), 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 reduce the Business Income coverage period.
- (7) The definition of Business Income contained in the Business Income Additional Coverage also applies to this Business Income From Dependent Properties Additional Coverage.

n. Glass Expenses

- (1) We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.
- (2) We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

o. Fire Extinguisher Systems Recharge Expense

- (1) We will pay:
- (a) The cost of recharging or replacing, whichever is less, your fire extinguishers and fire extinguishing systems (including hydrostatic testing if needed) if they are discharged on or within 100 feet of the described premises; and
 - (b) For loss or damage to Covered Property if such loss or damage is the result of an accidental discharge of chemicals from a fire extinguisher or a fire extinguishing system.
- (2) No coverage will apply if the fire extinguishing system is discharged during installation or testing.
- (3) The most we will pay under this Additional Coverage is \$5,000 in any one occurrence.

6. Coverage Extensions

In addition to the Limits of Insurance of **Section I – Property**, you may extend the insurance provided by this policy as provided below.

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

a. Newly Acquired Or Constructed Property

(1) Buildings

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

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

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

(2) Business Personal Property

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

This Extension does not apply to personal property that you temporarily acquire in the course of installing or performing work on such property or your wholesale activities.

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

(3) Period Of Coverage

With respect to insurance on or at each newly acquired or constructed property, coverage will end when any of the following first occurs:

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

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

b. Personal Property Off Premises

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

c. Outdoor Property

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

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

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

d. Personal Effects

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

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

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

e. Valuable Papers And Records

- (1) You may extend the insurance that applies to Business Personal Property to apply to direct physical loss or damage to "valuable papers and records" that you own, or that are in your care, custody or control caused by or resulting from a Covered Cause of Loss. This Coverage Extension includes the cost to research, replace or restore the lost information on "valuable papers and records" for which duplicates do not exist.
- (2) This Coverage Extension does not apply to:
 - (a) Property held as samples or for delivery after sale;
 - (b) Property in storage away from the premises shown in the Declarations.

- (3) The most we will pay under this Coverage Extension for loss or damage to "valuable papers and records" in any one occurrence at the described premises is \$10,000, 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 \$5,000.

- (4) Paragraph **B. Exclusions** in **Section I – Property** does not apply to this Coverage Extension except for:
 - (a) Paragraph **B.1.c.**, Governmental Action;
 - (b) Paragraph **B.1.d.**, Nuclear Hazard;
 - (c) Paragraph **B.1.f.**, War And Military Action;
 - (d) Paragraph **B.2.f.**, Dishonesty;
 - (e) Paragraph **B.2.g.**, False Pretense; and
 - (f) Paragraph **B.3.**

f. Accounts Receivable

- (1) You may extend the insurance that applies to Business Personal Property to apply to accounts receivable. We will pay:
 - (a) All amounts due from your customers that you are unable to collect;
 - (b) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
 - (c) Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and
 - (d) Other reasonable expenses that you incur to re-establish your records of accounts receivable;

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

- (2) The most we will pay under this Coverage Extension for loss or damage in any one occurrence at the described premises is \$10,000, unless a higher Limit of Insurance for accounts receivable is shown in the Declarations.

For accounts receivable not at the described premises, the most we will pay is \$5,000.

- (3) Paragraph **B. Exclusions** in **Section I – Property** does not apply to this Coverage Extension except for:
 - (a) Paragraph **B.1.c.**, Governmental Action;
 - (b) Paragraph **B.1.d.**, Nuclear Hazard;
 - (c) Paragraph **B.1.f.**, War And Military Action;
 - (d) Paragraph **B.2.f.**, Dishonesty;
 - (e) Paragraph **B.2.g.**, False Pretense;
 - (f) Paragraph **B.3.**; and
 - (g) Paragraph **B.5.** Accounts Receivable Exclusion.

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. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

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

b. Earth Movement

- (1) Earthquake, including 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, building glass breakage or volcanic action.

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

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

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

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

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

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

d. Nuclear Hazard

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

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

e. Power Failure

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

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

This exclusion does not apply to loss or damage to "computer(s)" and "electronic media and records".

f. War And Military Action

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

g. Water

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

But if Water, as described in 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. Certain Computer-Related Losses

- (1) The failure, malfunction or inadequacy of:
 - (a) Any of the following, whether belonging to any insured or to others:

- (i) "Computer" hardware, including microprocessors or other electronic data processing equipment as may be described elsewhere in this policy;
- (ii) "Computer" application software or other "electronic media and records" as may be described elsewhere in this policy;
- (iii) "Computer" operating systems and related software;
- (iv) "Computer" networks;
- (v) Microprocessors ("computer" chips) not part of any "computer" system; or
- (vi) Any other computerized or electronic equipment or components; or

- (b) Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph (a) above;

due to the inability to correctly recognize, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.

- (2) Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph (1) above.

However, if excluded loss or damage, as described in Paragraph (1) above results in a "Specified Cause of Loss" under **Section I – Property**, we will pay only for the loss or damage caused by such "Specified Cause of Loss".

We will not pay for repair, replacement or modification of any items in Paragraphs (1)(a) or (1)(b) to correct any deficiencies or change any features.

- 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.

We will pay for loss or damage to "computer(s)" due to artificially generated electrical current if such loss or damage is caused by or results from:

- (1) An occurrence that took place within 100 feet of the described premises; or
- (2) Interruption of electric power supply, power surge, blackout or brownout if the cause of such occurrence took place within 100 feet of the described premises.

b. Consequential Losses

Delay, loss of use or loss of market.

c. Smoke, Vapor, Gas

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

d. Steam Apparatus

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

e. Frozen Plumbing

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

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

f. Dishonesty

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

- (1) Acting alone or in collusion with others;

- (2) Whether or not occurring during the hours of employment.

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

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

This exclusion does not apply to coverage that is provided under the Employee Dishonesty Optional Coverage.

g. False Pretense

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

h. Exposed Property

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

i. Collapse

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

j. Pollution

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

k. Neglect

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

l. 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.
This exclusion does not apply with respect to the breakdown of "computer(s)";
- (7) The following causes of loss to personal property:
 - (a) Dampness or dryness of atmosphere;
 - (b) Changes in or extremes of temperature; or
 - (c) Marring or scratching.

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

m. Errors Or Omissions

Errors or omissions in:

- (1) Programming, processing or storing data, as described under "electronic media and records" or in any "computer" operations; or
- (2) Processing or copying "valuable papers and records".

However, we will pay for direct physical loss or damage caused by resulting fire or explosion if these causes of loss would be covered by this coverage form.

n. Installation, Testing, Repair

Errors or deficiency in design, installation, testing, maintenance, modification or repair of your "computer" system including "electronic media and records".

However, we will pay for direct physical loss or damage caused by resulting fire or explosion if these causes of loss would be covered by this coverage form.

o. Electrical Disturbance

Electrical or magnetic injury, disturbance or erasure of "electronic media and records", except as provided for under the Coverage Extensions of **Section I – Property**.

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

- 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.

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".
- (2) Any other consequential loss.

- b. With respect to this exclusion, suspension means:
 - (1) The partial slowdown or complete cessation of your business activities; and
 - (2) That a part or all of the described premises is rendered untenable, if coverage for Business Income applies.

5. Accounts Receivable Exclusion

The following additional exclusion applies to the Accounts Receivable Coverage Extension:

We will not pay for:

- a. Loss or damage caused by or resulting from alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of "money", "securities" or other property.
This exclusion applies only to the extent of the wrongful giving, taking or withholding.
- b. Loss or damage caused by or resulting from bookkeeping, accounting or billing errors or omissions.
- c. Any loss or damage that requires any audit of records or any inventory computation to prove its factual existence.

C. Limits Of Insurance

- 1. The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance of **Section I – Property** shown in the Declarations.
- 2. The most we will pay for loss of or damage to outdoor signs attached to buildings is \$1,000 per sign in any one occurrence.
- 3. The limits applicable to the Coverage Extensions and the Fire Department Service Charge and Pollutant Clean Up and Removal Additional Coverages are in addition to the Limits of Insurance of **Section I – Property**.
- 4. **Building Limit – Automatic Increase**
 - a. The Limit of Insurance for Buildings will automatically increase by the annual percentage shown in the Declarations.
 - b. The amount of increase will be:
 - (1) The Building limit that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Building limit, times

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

Example:

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

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

5. Business Personal Property Limit – Seasonal Increase

- a. The Limit of Insurance for Business Personal Property will automatically increase by 25% to provide for seasonal variations.
- b. This increase will apply only if the Limit of Insurance shown for Business Personal Property in the Declarations is at least 100% of your average monthly values during the lesser of:
 - (1) The 12 months immediately preceding the date the loss or damage occurs; or
 - (2) The period of time you have been in business as of the date the loss or damage occurs.

D. Deductibles

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

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

3. No deductible applies to the following Additional Coverages:
 - a. Fire Department Service Charge;
 - b. Business Income;
 - c. Extra Expense;
 - d. Civil Authority; and
 - e. Fire Extinguisher Systems Recharge Expense.

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 of **Section I – Property**. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.

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

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

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

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

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

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

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

4. Legal Action Against Us

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

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

5. Electronic Media And Records Limitation

We will not pay for any loss of Business Income caused by direct physical loss of or damage to "electronic media and records" after the longer of:

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

Example #1

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

Example #2

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

6. Loss Payment

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

- a. At our option, we will either:
 - (1) Pay the value of lost or damaged property;
 - (2) Pay the cost of repairing or replacing the lost or damaged property;
 - (3) Take all or any part of the property at an agreed or appraised value; or
 - (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to Paragraph **d.(1)(e)** below.
- b. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- c. We will not pay you more than your financial interest in the Covered Property.

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

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

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

(i) The Limit of Insurance under **Section I – Property** that applies to the lost or damaged property;

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

i. Of comparable material and quality; and

ii. Used for the same purpose; or

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

If a building is rebuilt at a new premises, the cost is limited to the cost which would have been incurred had the building been built at the original premises.

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

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

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

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

However, if the cost to repair or replace the damaged building property is \$2,500 or less, we will settle the loss according to the provisions of Paragraphs **d.(1)(a)** and **d.(1)(b)** above whether or not the actual repair or replacement is complete.
 - (e) The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.
- (2)** If the "Actual Cash Value – Buildings" option applies, as shown in the Declarations, Paragraph **(1)** above does not apply to Buildings. Instead, we will determine the value of Buildings at actual cash value.
- (3)** The following property at actual cash value:
- (a) Used or second-hand merchandise held in storage or for sale;
 - (b) Property of others. However, if an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not to exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance;
 - (c) Household contents, except personal property in apartments or rooms furnished by you as landlord;
 - (d) Manuscripts;
 - (e) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac.
- (4)** Glass at the cost of replacement with safety glazing material if required by law.
- (5)** Tenants' Improvements and Betterments at:
- (a) Replacement cost if you make repairs promptly.
 - (b) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
 - (i) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
 - (ii) Divide the amount determined in **(i)** above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.
- (c)** Nothing if others pay for repairs or replacement.
- (6)** Loss or damage to "valuable papers and records" will be valued at the cost of restoration or replacement, including the cost of data entry, re-programming, computer consultation services and the media on which the data or programs reside. To the extent that the contents of the "valuable papers and records" are not restored, the "valuable papers and records" will be valued at the cost of replacement with blank materials of substantially identical type.
- (7)** Applicable only to the Optional Coverages:
- (a) "Money" at its face value; and
 - (b) "Securities" at their value at the close of business on the day the loss is discovered.

(8) Applicable only to Accounts Receivable:

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

7. Recovered Property

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

8. Resumption Of Operations

We will reduce the amount of your:

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

9. Vacancy

a. Description Of Terms

- (1)** As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in 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.
- (2) 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%.

F. Property General Conditions

1. Control Of Property

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

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

2. Mortgageholders

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

- (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

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

- e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this policy:

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

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

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:

- (1) 10 days before the effective date of cancellation if we cancel for your 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.

3. No Benefit To Bailee

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

4. Policy Period, Coverage Territory

Under **Section I – Property:**

- a. We cover loss or damage commencing:

- (1) During the policy period shown in the Declarations; and
- (2) Within the coverage territory or, with respect to property in transit, while it is between points in the coverage territory.

- b. The coverage territory is:

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

G. Optional Coverages

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

1. Outdoor Signs

- a. We will pay for direct physical loss of or damage to all outdoor signs at the described premises:
 - (1) Owned by you; or
 - (2) Owned by others but in your care, custody or control.
- b. Paragraph **A.3.**, **Covered Causes Of Loss**, and Paragraph **B.**, **Exclusions** in **Section I – Property**, do not apply to this Optional Coverage, except for:
 - (1) Paragraph **B.1.c.**, Governmental Action;
 - (2) Paragraph **B.1.d.**, Nuclear Hazard; and
 - (3) Paragraph **B.1.f.**, War And Military Action.
- c. We will not pay for loss or damage caused by or resulting from:
 - (1) Wear and tear;
 - (2) Hidden or latent defect;
 - (3) Rust;
 - (4) Corrosion; or
 - (5) Mechanical breakdown.
- d. The most we will pay for loss or damage in any one occurrence is the Limit of Insurance for Outdoor Signs shown in the Declarations.
- e. The provisions of this Optional Coverage supersede all other references to outdoor signs in this policy.

2. Money And Securities

- a. We will pay for loss of "money" and "securities" used in your business while at a bank or savings institution, within your living quarters or the living quarters of your partners or any employee having use and custody of the property, at the described premises, or in transit between any of these places, resulting directly from:
 - (1) Theft, meaning any act of stealing;
 - (2) Disappearance; or
 - (3) Destruction.
- b. In addition to the Limitations and Exclusions applicable to **Section I – Property**, we will not pay for loss:

- (1) Resulting from accounting or arithmetical errors or omissions;
 - (2) Due to the giving or surrendering of property in any exchange or purchase; or
 - (3) Of property contained in any "money"-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.
- c. The most we will pay for loss in any one occurrence is:
 - (1) The limit shown in the Declarations for Inside the Premises for "money" and "securities" while:
 - (a) In or on the described premises; or
 - (b) Within a bank or savings institution; and
 - (2) The limit shown in the Declarations for Outside the Premises for "money" and "securities" while anywhere else.
 - d. All loss:
 - (1) Caused by one or more persons; or
 - (2) Involving a single act or series of related acts;is considered one occurrence.
 - e. You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.

3. Employee Dishonesty

- a. We will pay for direct loss of or damage to Business Personal Property and "money" and "securities" resulting from dishonest acts committed by any of your employees acting alone or in collusion with other persons (except you or your partner) with the manifest intent to:
 - (1) Cause you to sustain loss or damage; and also
 - (2) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
 - (a) Any employee; or
 - (b) Any other person or organization.
- b. We will not pay for loss or damage:
 - (1) Resulting from any dishonest or criminal act that you or any of your partners or "members" commit whether acting alone or in collusion with other persons.

- (2) Resulting from any dishonest act committed by any of your employees (except as provided in Paragraph a.), "managers" or directors:
 - (a) Whether acting alone or in collusion with other persons; or
 - (b) While performing services for you or otherwise.
- (3) The only proof of which as to its existence or amount is:
 - (a) An inventory computation; or
 - (b) A profit and loss computation.
- c. The most we will pay for loss or damage in any one occurrence is the Limit of Insurance for Employee Dishonesty shown in the Declarations.
- d. All loss or damage:
 - (1) Caused by one or more persons; or
 - (2) Involving a single act or series of acts; is considered one occurrence.
- e. If any loss is covered:
 - (1) Partly by this insurance; and
 - (2) Partly by any prior cancelled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest;

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

We will pay only for loss or damage you sustain through acts committed or events occurring during the Policy Period. Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.
- f. This Optional Coverage is cancelled as to any employee immediately upon discovery by:
 - (1) You; or
 - (2) Any of your partners, "members", "managers", officers or directors not in collusion with the employee;

of any dishonest act committed by that employee before or after being hired by you.
- g. We will pay only for covered loss or damage sustained during the policy period and discovered no later than one year from the end of the policy period.

- h. If you (or any predecessor in interest) sustained loss or damage during the policy period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this Optional Coverage, provided:
 - (1) This Optional Coverage became effective at the time of cancellation or termination of the prior insurance; and
 - (2) The loss or damage would have been covered by this Optional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.
- i. The insurance under Paragraph h. above is part of, not in addition to, the Limit of Insurance applying to this Optional Coverage and is limited to the lesser of the amount recoverable under:
 - (1) This Optional Coverage as of its effective date; or
 - (2) The prior insurance had it remained in effect.

4. Mechanical Breakdown

- a. We will pay for direct damage to Covered Property caused by an Accident to an Object. The Object must be:
 - (1) Owned by you or in your care, custody or control; and
 - (2) At the described premises.
- b. Accident means a sudden and accidental breakdown of the Object or a part of the Object. At the time the breakdown occurs, it must manifest itself by physical damage to the Object that necessitates repair or replacement.
- c. None of the following is an Accident:
 - (1) Depletion, deterioration, corrosion or erosion;
 - (2) Wear and tear;
 - (3) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
 - (4) Breakdown of any vacuum tube, gas tube or brush;
 - (5) Breakdown of any "computer", including "computer(s)" used to operate production type machinery or equipment;
 - (6) Breakdown of any structure or foundation supporting the Object or any of its parts;

- (7) The functioning of any safety or protective device; or
 - (8) The explosion of gases or fuel within the furnace of any Object or within the flues or passages through which the gases of combustion pass.
- d. Object means any of the following equipment:
- (1) Boiler and Pressure Vessels:
 - (a) Steam heating boilers and condensate return tanks used with them;
 - (b) Hot water heating boilers and expansion tanks used with them;
 - (c) Hot water supply boilers;
 - (d) Other fired or unfired vessels used for maintenance or service of the described premises but not used for processing or manufacturing;
 - (e) Steam boiler piping, valves, fittings, traps and separators, but only if they:
 - (i) Are on your premises or between parts of your premises;
 - (ii) Contain steam or condensate of steam; and
 - (iii) Are not part of any other vessel or apparatus;
 - (f) Feed water piping between any steam boiler and a feed pump or injector.
 - (2) Air Conditioning Units – Any air conditioning unit that has a capacity of 60,000 Btu or more, including:
 - (a) Inductors, convectors and coils that make use of a refrigerant and form part of a cooling, humidity control or space heating system;
 - (b) Interconnecting piping, valves and fittings containing only a refrigerant, water, brine or other solution;
 - (c) Vessels heated directly or indirectly that:
 - (i) Form part of an absorption type system; and
 - (ii) Function as a generator, regenerator or concentrator;
 - (d) Compressors, pumps, fans and blowers used solely with the system together with their driving electric motors; and
 - (e) Control equipment used solely with the system.
- e. Object does not mean:
- (1) As Boiler and Pressure Vessels:
 - (a) Equipment that is not under internal vacuum or internal pressure other than weight of contents;
 - (b) Boiler settings;
 - (c) Insulating or refractory material; or
 - (d) Electrical, reciprocating or rotating apparatus within or forming a part of the boiler or vessel.
 - (2) As Air Conditioning Units, any:
 - (a) Vessel, cooling tower, reservoir or other source of cooling water for a condenser or compressor, or any water piping leading to or from that source; or
 - (b) Wiring or piping leading to or from the unit.
- f. We will not pay for an Accident to any Object while being tested.
- g. **Suspension**
- Whenever an Object is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an Accident to that Object. This can be done by delivering or mailing a written notice of suspension to:
- (1) Your last known address; or
 - (2) The address where the Object is located.
- If we suspend your insurance, you will get a pro rata refund of premium. But the suspension will be effective even if we have not yet made or offered a refund.
- H. Property Definitions**
- 1. "Computer" means:
 - a. Programmable electronic equipment that is used to store, retrieve and process data; and
 - b. Associated peripheral equipment that provides communication, including input and output functions such as printing and auxiliary functions such as data transmission.

"Computer" does not include those used to operate production type machinery or equipment.
 - 2. "Counterfeit" means an imitation of an actual valid original which is intended to deceive and to be taken as the original.

3. "Electronic media and records" means the following, if owned by you or licensed to you and used in your business:
 - a. Media, meaning disks, tapes, film, drums, cells or other media which are used with electronically controlled equipment.
 - b. Data, meaning information or facts stored on media described in Paragraph a. above. Data includes "valuable papers and records" converted to data.
 - c. "Computer" program, meaning a set of related electronic instructions which direct the operations and functions of a "computer" or a device connected to it, which enable the "computer" or device to receive, process, restore, retrieve or send data.
 - d. Software, including systems and applications software.
4. "Manager" means a person serving in a directorial capacity for a limited liability company.
5. "Member" means an owner of a limited liability company represented by its membership interest, who also may serve as a "manager".
6. "Money" means:
 - a. Currency, coins and bank notes in current use and having a face value; and
 - b. Travelers checks, register checks and money orders held for sale to the public.
7. "Operations" means your business activities occurring at the described premises.
8. "Period of restoration":
 - a. Means the period of time that:
 - (1) Begins:
 - (a) 72 hours after the time of direct physical loss or damage for Business Income Coverage; or
 - (b) Immediately after the time of direct physical loss or damage for Extra Expense Coverage; caused by or resulting from any Covered Cause of Loss at the described premises; and
 - (2) Ends on the earlier of:
 - (a) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - (b) The date when business is resumed at a new permanent location.
 - b. Does not include any increased period required due to the enforcement of any ordinance or law that:
 - (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
 - (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants".

The expiration date of this policy will not cut short the "period of restoration".
9. "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.
10. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:
 - a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include "money".
11. "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.
- 12. "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.
- 13. "Valuable papers and records" means:
 - a. Inscribed, printed or written:
 - (1) Documents;
 - (2) Manuscripts; and
 - (3) Records;
 - including abstracts, books, deeds, drawings, films, maps or mortgages; and
 - b. "Electronic media and records".

But "valuable papers and records" does not mean "money" or "securities".

SECTION II – LIABILITY

A. Coverages

1. Business Liability

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury", "property damage" 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 Paragraph **D – Liability And Medical Expenses Limits Of Insurance in Section II – Liability**; and
 - (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements or medical expenses.

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

- b. This insurance applies:
 - (1) To "bodily injury" and "property damage" only if:
 - (a) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
 - (b) The "bodily injury" or "property damage" occurs during the policy period; and
 - (c) Prior to the policy period, no insured listed under Paragraph **C.1. Who Is An Insured** and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known before the policy period.
 - (2) To "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 Paragraph **C.1. Who Is An Insured** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of "bodily injury" or "property damage" after the end of the policy period.
- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph **C.1. Who Is An Insured** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:
 - (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
 - (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or

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

- (3) So long as the conditions in Paragraph 2. 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 II – Liability**, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

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

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

2. Medical Expenses

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:
 - (1) On premises you own or rent;
 - (2) On ways next to premises you own or rent; or
 - (3) Because of your operations;provided that:
 - (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 Limits of Insurance of **Section II – Liability**. 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 Paragraph (1) above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

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

f. Pollution

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:

- (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot 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) A watercraft while ashore on premises you own or rent;
 - (2) A watercraft you do not own that is:
 - (a) Less than 51 feet long; and
 - (b) Not being used to carry persons or property for a charge;
 - (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
 - (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
 - (5) "Bodily injury" or "property damage" arising out of 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; and
- (9) Services in the practice of pharmacy.

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 in Section II – Liability.**

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

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

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

l. Damage To Your Product

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

m. Damage To Your Work

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

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

n. Damage To Impaired Property Or Property Not Physically Injured

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

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

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

o. Recall Of Products, Work Or Impaired Property

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

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

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

p. Personal 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 in Section II – Liability.**

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 "by-product material";
- (5) "Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

- (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 ore processed primarily for its "source material" content; and

- (b) Resulting from the operation by any person or organization of any "nuclear facility" included under Paragraphs (a) and (b) of the definition of "nuclear facility".

C. Who Is An Insured

1. If you are designated in the Declarations as:

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

2. Each of the following is also an insured:

- a. Your "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.

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 of **Section II – Liability** shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
- a. Insureds;
- b. Claims made or "suits" brought; or
- c. Persons or organizations making claims or bringing "suits".
2. The most we will pay for the sum of all damages because of all:
- a. "Bodily injury", "property damage" and medical expenses arising out of any one "occurrence"; and

- b. "Personal and advertising injury" sustained by any one person or organization;

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

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

4. Aggregate Limits

The most we will pay for:

- a. All "bodily injury" or "property damage" that is included in the "products-completed operations hazard" is twice the Liability and Medical Expenses limit; and

- b. All:

- (1) "Bodily injury" or "property damage" except damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard";
- (2) Plus medical expenses;
- (3) Plus all "personal and advertising injury" caused by offenses committed;

is twice the Liability and Medical Expenses limit.

This Aggregate Limit does not apply to "property damage" to premises while rented to you or temporarily occupied by you with the permission of the owner, arising out of fire or explosion.

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

E. Liability And Medical Expenses General Conditions

1. Bankruptcy

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

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

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

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

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

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

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

- c. You and any other involved insured must:

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

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

3. 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 of **Section II – Liability**, 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.

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

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

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

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

21. "Your product":

a. Means:

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

b. Includes:

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

c. Does not include vending machines or other property rented to or located for the use of others but not sold.

22. "Your work":

a. Means:

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

b. Includes:

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

SECTION III – COMMON POLICY CONDITIONS (APPLICABLE TO SECTION I – PROPERTY AND SECTION II – LIABILITY)

A. Cancellation

- 1.** The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
- 2.** We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a.** 5 days before the effective date of cancellation if any one of the following conditions exists at any building that is Covered Property in this policy.
 - (1)** The building has been vacant or unoccupied 60 or more consecutive days. This does not apply to:
 - (a)** Seasonal unoccupancy; or
 - (b)** Buildings in the course of construction, renovation or addition.Buildings with 65% or more of the rental units or floor area vacant or unoccupied are considered unoccupied under this provision.
 - (2)** After damage by a covered cause of loss, permanent repairs to the building:
 - (a)** Have not started, and
 - (b)** Have not been contracted for, within 30 days of initial payment of loss.

- (3) The building has:
 - (a) An outstanding order to vacate;
 - (b) An outstanding demolition order; or
 - (c) Been declared unsafe by governmental authority.
- (4) Fixed and salvageable items have been or are being removed from the building and are not being replaced. This does not apply to such removal that is necessary or incidental to any renovation or remodeling.
- (5) Failure to:
 - (a) Furnish necessary heat, water, sewer service or electricity for 30 consecutive days or more, except during a period of seasonal unoccupancy; or
 - (b) Pay property taxes that are owing and have been outstanding for more than one year following the date due, except that this provision will not apply where you are in a bona fide dispute with the taxing authority regarding payment of such taxes.
- b. 10 days before the effective date of cancellation if we cancel for nonpayment of premium.
- c. 30 days before the effective date of cancellation if we cancel for any other reason.
- 3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
- 4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
- 5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
- 6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

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

C. Concealment, Misrepresentation Or Fraud

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

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

D. Examination Of Your Books And Records

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

E. Inspections And Surveys

- 1. We have to right to:
 - a. Make inspections and surveys at any time;
 - b. Give you reports on the conditions we find; and
 - c. Recommend changes.
- 2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
 - a. Are safe and healthful; or
 - b. Comply with laws, regulations, codes or standards.
- 3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
- 4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

F. Insurance Under Two Or More Coverages

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

G. Liberalization

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

H. Other Insurance

1. If there is other insurance covering the same loss or damage, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance of **Section I – Property**.
2. Business Liability Coverage is excess over:
 - a. Any other insurance that insures for direct physical loss or damage; or
 - b. Any other primary insurance available to you covering liability for damages arising out of the premises or operations for which you have been added as an additional insured by attachment of an endorsement.
3. When this insurance is excess, we will have no duty under Business Liability Coverage to defend any claim or "suit" that any other insurer has a duty to defend. If no other insurer defends, we will undertake to do so; but we will be entitled to the insured's rights against all those other insurers.

I. Premiums

1. The first Named Insured shown in the Declarations:
 - a. Is responsible for the payment of all premiums; and
 - b. Will be the payee for any return premiums we pay.
2. The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.
3. With our consent, you may continue this policy in force by paying a continuation premium for each successive one-year period. The premium must be:
 - a. Paid to us prior to the anniversary date; and
 - b. Determined in accordance with Paragraph 2. above.

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

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

J. Premium Audit

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

K. Transfer Of Rights Of Recovery Against Others To Us

1. Applicable to Businessowners Property Coverage:

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

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

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

This will not restrict your insurance.

2. Applicable to Businessowners Liability Coverage:

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

L. Transfer Of Your Rights And Duties Under This Policy

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED – STATE OR POLITICAL
SUBDIVISIONS – PERMITS RELATING TO PREMISES**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE*

State Or Political Subdivision:	
*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** in **Section II – Liability**:

4. Any state or political subdivision shown in the Schedule is also an insured, subject to the following additional provision:

This insurance applies only with respect to the following hazards for which the state or political subdivision has issued a permit in connection with premises you own, rent, or control and to which this insurance applies:

- a.** The existence, maintenance, repair, construction, erection, or removal of advertising signs, awnings, canopies, cellar entrances, coal holes, driveways, manholes, marquees, hoistaway openings, sidewalk vaults, street banners, or decoration and similar exposures;
- b.** The construction, erection, or removal of elevators; or
- c.** The ownership, maintenance, or use of any elevators covered by this insurance.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED –
MORTGAGEE, ASSIGNEE, OR RECEIVER**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE*

<p>Name Of Person Or Organization:</p> <p>Designation Of Premises:</p>

* 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** in **Section II – Liability**:

- 4. The person or organization shown in the Schedule is also an insured, but only with respect to liability as mortgagee, assignee, or receiver and arising out of the ownership, maintenance, or use of the premises by you and as shown in the Schedule.

This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED – CO-OWNER OF
INSURED PREMISES**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE*

<p>Name Of Person Or Organization:</p> <p>Location Of Premises:</p>

* 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** in **Section II – Liability**:

4. The person or organization shown in the Schedule is also an insured, but only with respect to liability as co-owner of the premises shown in the Schedule.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**LIMITATION OF COVERAGE TO DESIGNATED
PREMISES OR PROJECT**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE*

Premises:

Project:

The following is added to **Section II – Liability:**

This insurance applies only to "bodily injury", "property damage", "personal and advertising injury" and medical expenses arising out of:

1. The ownership, maintenance or use of the premises shown in the Schedule and operations necessary or incidental to those premises; or
2. The project shown in the Schedule.

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – LESSOR OF LEASED EQUIPMENT

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE*

Name Of Person Or Organization:

Description Of Leased Equipment:

Location(s) Of Leased Equipment:

The following is added to Paragraph **C. Who Is An Insured** in **Section II – Liability**:

- 4. The person or organization shown in the Schedule is also an insured, but only with respect to liability arising out of the maintenance, operation or use by you of equipment leased to you by that person or organization and shown in the Schedule and subject to the following additional exclusions:

This insurance does not apply to:

- A. Any "occurrence" which takes place after the equipment lease expires; or
- B. "Bodily injury" or "property damage" arising out of the sole negligence of the person or organization shown in the Schedule.

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYMENT-RELATED PRACTICES EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The following exclusion is added to Paragraph **B. Exclusions** in **Section II – Liability**:

This insurance does not apply to:

1. "Bodily injury" or "personal and advertising injury" to:
 - a. A person arising out of any:
 - (1) Refusal to employ that person;
 - (2) Termination of that person's employment; or
 - (3) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
 - b. The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" or "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs (1), (2) or (3) above is directed.
2. This exclusion applies:
 - a. Whether the insured may be liable as an employer or in any other capacity; and
 - b. To any obligation to share damages with or repay someone else who must pay damages because of the injury.

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

PROTECTIVE DEVICES OR SERVICES PROVISIONS

SCHEDULE

Premises Number	Building Number	Symbol	Description of Protective Safeguard

The following is added to the policy:

A. Protective Safeguards

1. You are required to have and maintain the protective devices or services listed in the Schedule above.
2. The protective safeguards to which this endorsement applies are identified by the following symbols:
 - a. **“P-1”** Automatic Sprinkler System, including related supervisory services.
Automatic Sprinkler System means:
 - 1) Any automatic fire protective or extinguishing system, including connected:
 - a) Sprinklers and discharge nozzles;
 - b) Ducts, pipes, valves and fittings;
 - c) Tanks, their components parts and supports; and
 - d) Pumps and private fire protection mains.
 - 2) When supplied from an automatic fire protective system:
 - a) Non-automatic fire protective systems; and
 - b) Hydrants, standpipes and outlets.
 - b. **“P-2”** Automatic Fire Alarm, protecting the entire building, that is:
 - 1) Connected to a central station; or
 - 2) Reporting to a public or private fire alarm station.
 - c. **“P-3”** Security Service, with a recording system or watch clock making hourly rounds covering the entire building, when the premises are not in actual operations.
 - d. **“P-4”** Service Contract with a privately owned fire department providing fire protection service to the described premises.

- e. **“P-5”** Functioning and operational smoke/heat detectors in all units or occupancies.
- f. **“P-6”** All Electrical in on functioning and operational circuit breakers.
- g. **“P-7”** Functioning and operational central station burglar alarm with a monitoring contract.
- h. **“P-8”** Functioning and operational surge protectors on all computer and audio-video equipment.
- i. **“P-9”** Refrigeration maintenance contract on all refrigeration equipment.
- j. **“P-10”** Functioning and operational automatic fire suppression system per NFPA #96 on all cooking equipment.
- k. **“P-15”** Any item on a display rack with a sales price of \$250 or more must be affixed with a security sensor or must be chained and locked to a rack.
- l. **“P-16”** The building is protected from lightning with an approved NFPA 780 installation.
- m. **“P-17”** Flammable liquids must be stored in NFPA #30 approved cabinets.
- n. **“P-18”** No smoking signs must be posted and enforced.
- o. **“P-21”** The protective system described in the schedule.

The following is added to Paragraph **B. Exclusions in Section I - Property**:

With respects to **“P-1”**, **“P-2”**, **“P-3”**, **“P-4”**, **“P-5”**, **“P-6”**, **“P-8”**, **“P-10”**, **“P-16”**, **“P-17”**, and **“P-18”**, we will not pay for loss or damage caused by or resulting from fire if, prior to the fire, you:

- p. Knew of any suspension or impairment in any protective safeguard listed in the Schedule above and failed to notify us of that fact; or
- q. Failed to maintain any protective safeguard listed in the Schedule above, and over which you had control, in complete working order.

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

With respect to **“P-3”**, **“P-7”** and **“P-15”**, we will not pay for loss or damage caused by or resulting from vandalism, burglary, theft or any other act of stealing if, prior to the vandalism, burglary, theft or any other act of stealing, you:

- a. Knew of any suspension or impairment in any protective safeguard listed in the Schedule above and failed to notify us of that fact; or
- b. Failed to maintain any protective safeguard listed in the Schedule above, and over which you had control, in complete working order.

With respect to **“P-6”** and **“P-8”** we will not pay for loss or damage caused by or resulting from “equipment breakdown”, electrical disturbance or expediting expenses as a result of an electrical disturbance if, prior to the “equipment breakdown” you:

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

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

With respect to “**P-9**” we will not pay for loss or damage caused by or resulting from “equipment breakdown”, spoilage or expediting expenses as a result of spoilage if, prior to the “equipment breakdown” you:

- a.** Knew of any suspension or impairment in any protective safeguard listed in the Schedule above and failed to notify us of that fact; or
- b.** Failed to maintain any protective safeguard listed in the Schedule above, and over which you had control, in complete working order.

With respect to “**P-21**” we will not pay for loss or damage caused by or resulting from fire, vandalism, burglary, theft or any other act of stealing, “equipment breakdown”, electrical disturbance or expediting expenses as a result of an electrical disturbance, “equipment breakdown”, spoilage or expediting expenses as a result of spoilage, as applicable, if you:

- a.** Knew of any suspension or impairment in any protective safeguard listed in the Schedule above and failed to notify us of that fact; or
- b.** Failed to maintain any protective safeguard listed in the Schedule above, and over which you had control, in complete working order.

All other terms and conditions of this policy remain unchanged. This endorsement is a part of your policy and takes effect on the effective date of your policy unless another effective date is shown.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – DESIGNATED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS 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** in **Section II – Liability** :

4. Any person or organization shown in the Schedule is also an insured, but only with respect to liability arising out of your ongoing operations or premises owned by or rented to you.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – STATE OR POLITICAL SUBDIVISIONS – PERMITS

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE*

<p>State Or Political Subdivision:</p>
<p>* Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.</p>

The following is added to Paragraph **C. Who Is An Insured** in **Section II – Liability**:

- 4. Any state or political subdivision shown in the Schedule is also an insured, subject to the following provisions:
 - a. This insurance applies only with respect to operations performed by you or on your behalf for which the state or political subdivision has issued a permit.

b. This insurance does not apply to:

- (1) "Bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the state or municipality; or
- (2) "Bodily injury" or "property damage" included within the "products-completed operations hazard".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NAMED PERILS

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

Section I – Property in the Businessowners Coverage Form is amended as follows:

A. Paragraph A.2.b. Property Not Covered is replaced by the following:

b. Bullion, except as provided in the Burglary And Robbery Optional Coverage, and "money" or "securities" except as provided in the:

- (1) Burglary and Robbery Optional Coverage; or
- (2) Employee Dishonesty Optional Coverage.

B. Paragraph A.3. Covered Causes Of Loss is replaced by the following:

3. Covered Causes Of Loss

- a. Fire.
- b. Lightning.
- c. Explosion, including 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. This cause of loss does not include loss or damage by:
 - (1) Rupture, bursting or operation of pressure relief devices; or
 - (2) Rupture or bursting due to expansion or swelling of the contents of any building or structure, caused by or resulting from water.
- d. Windstorm or Hail, but not including:
 - (1) Frost or cold weather;
 - (2) Ice (other than hail), snow or sleet, whether driven by wind or not;
 - (3) Loss of or damage to awnings or canopies of fabric or slat construction, including their supports, outside of buildings; or

(4) Loss of or damage to the interior of any building or structure, or the property inside the building or structure, caused by rain, snow, sand or dust, whether driven by wind or not, unless the building or structure first sustains wind or hail damage to its roof or walls through which the rain, snow, sand or dust enters.

e. Smoke, causing sudden and accidental loss or damage. This cause of loss does not include smoke from agricultural smudging or industrial operations.

f. Aircraft or vehicles, meaning only physical contact of an aircraft, a spacecraft, a self-propelled missile, a vehicle or an object thrown up by a vehicle with the Covered Property or with the building or structure containing the Covered Property. This cause of loss includes loss or damage by objects falling from aircraft.

We will not pay for loss or damage caused by or resulting from vehicles you own or which are operated in the course of your business.

g. Riot or Civil Commotion, including:

- (1) Acts of striking employees while occupying the described premises; and
- (2) Looting occurring at the time and place of a riot or civil commotion.

h. Vandalism, meaning willful and malicious damage to, or destruction of, Covered Property. We will not pay for loss or damage caused by or resulting from theft, except for building damage caused by the breaking in or exiting of burglars.

i. Sprinkler Leakage, meaning leakage or discharge of any substance from an Automatic Sprinkler System, including collapse of a tank that is part of the system.

If the building or structure containing the Automatic Sprinkler System is Covered Property, we will also pay the cost to:

- (1) Repair or replace damaged parts of the Automatic Sprinkler System if the damage:
 - (a) Results in sprinkler leakage; or
 - (b) Is directly caused by freezing.
- (2) Tear out and replace any part of the building or structure to repair damage to the Automatic Sprinkler System that has resulted in sprinkler leakage.
- (3) Automatic Sprinkler System means:
 - (a) Any automatic fire protective or extinguishing system, including connected:
 - (i) Sprinklers and discharge nozzles;
 - (ii) Ducts, pipes, valves and fittings;
 - (iii) Tanks, their component parts and supports; and
 - (iv) Pumps and private fire protection mains.
 - (b) When supplied from an automatic fire protective system:
 - (i) Non-automatic fire protective systems; and
 - (ii) Hydrants, standpipes and outlets.
- j. Sinkhole Collapse, meaning loss or damage caused by 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.
- k. Volcanic Action, meaning direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:
 - (1) Airborne volcanic blast or airborne shock waves;
 - (2) Ash, dust or particulate matter; or
 - (3) Lava flow.All volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

This cause of loss 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.

- I. Transportation, meaning loss or damage caused by:
 - (1) Collision, derailment or overturn of a vehicle;
 - (2) Stranding or sinking of vessels; and
 - (3) Collapse of bridges, culverts, piers, wharves or docks.

This cause of loss applies only to Covered Property in course of transit.

- C. Paragraph **A.4. Limitations** does not apply.
- D. Paragraph **A.5. Additional Coverages** is amended as follows:
 1. Paragraph **d. Collapse** does not apply.
 2. Paragraph **e. Water Damage, Other Liquids, Powder Or Molten Material Damage** does not apply.
- E. Paragraph **B. Exclusions** is amended as follows:
 1. Paragraph **B.2.** is replaced by the following:

B. Exclusions

2. We will not pay for loss or damage caused by or resulting from:

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.

We will pay for loss or damage to "computers" due to artificially generated electrical current if such loss or damage is caused by or results from:

- (1) An occurrence that took place within 100 feet of the described premises; or
- (2) Interruption of electric power supply, power surge, blackout or brownout if the cause of such occurrence took place within 100 feet of the described premises.

b. Burst Piping

Rupture or bursting of water pipes (other than Automatic Sprinkler Systems) unless caused by a Covered Cause of Loss.

c. Water Discharge

Leakage or discharge of water or steam from any part of a system or appliance containing water or steam (other than an Automatic Sprinkler System), unless the leakage or discharge occurs because the system or appliance was damaged by a Covered Cause of Loss.

d. Steam Apparatus

Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control.

But if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion.

e. Mechanical Breakdown

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

But if mechanical breakdown results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion does not apply with respect to the breakdown of "computers";

f. Errors Or Omissions

Errors or omissions in programming, processing or storing data, as described under "electronic media and records" or in any "computer" operations.

However, we will pay for direct physical loss or damage caused by resulting fire or explosion if these causes of loss would be covered by this coverage form.

g. Installation, Testing, Repair

Errors or deficiency in design, installation, testing, maintenance, modification or repair of your "computer" system including "electronic media and records".

However, we will pay for direct physical loss or damage caused by resulting fire or explosion if these causes of loss would be covered by this coverage form.

h. Electrical Disturbance

Electrical or magnetic injury, disturbance or erasure of "electronic media and records", except as provided for under the Coverage Extensions of Section I – Property.

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

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

5. Accounts Receivable And Valuable Papers And Records Exclusions

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

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

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

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

This exclusion does not apply to a carrier for hire and acts of destruction by your employees; but theft by employees is not covered.

- (2) 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.
- (3) Unauthorized instructions to transfer property to any person or to any place.

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

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

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

(3) Faulty, inadequate or defective:

(a) Planning, zoning, development, surveying, siting;

(b) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;

(c) Materials used in repair, construction, renovation or remodeling; or

(d) Maintenance;
of part or all of any property on or off the described premises.

c. Applicable to Accounts Receivable only:
We will not pay for:

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

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

(2) Loss or damage caused by or resulting from bookkeeping, accounting or billing errors or omissions.

(3) Any loss or damage that requires any audit of records or any inventory computation to prove its factual existence.

F. Paragraph **D.2. Deductibles** is replaced by the following:

2. Regardless of the amount of the Deductible, the most we will deduct from any loss or damage for Glass and under all of the following Optional Coverages in any one occurrence is the Optional Coverage/Glass Deductible shown in the Declarations:

a. Burglary and Robbery;

b. Employee Dishonesty; and

c. Outdoor Signs.

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

G. Paragraph **E.9.b. Vacancy** Property Loss Condition is replaced by the following:

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;

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

H. Paragraph **G. Optional Coverages** is amended as follows:

1. Paragraph **3. Money And Securities** does not apply.

2. The following is added to Paragraph **G.:**

6. Burglary And Robbery

a. We will pay for direct physical loss of or damage to:

(1) Business Personal Property, if a Limit of Insurance is shown in the Declarations; and

(2) "Money" and "securities";
at the described premises resulting directly from actual or attempted:

- (a) Burglary, meaning the taking of property from inside the described premises by a person unlawfully entering or leaving the premises as evidenced by marks of forcible entry or exit; or
 - (b) Robbery, meaning the taking of property from the care and custody of a person by one who has:
 - (i) Caused or threatened to cause that person bodily harm; or
 - (ii) Committed an obviously unlawful act witnessed by the person from whom the property was taken.
- b. Coverage for "money" and "securities" extends to that property while at a bank or savings institution, within your living quarters or the living quarters of your partners or any employee having care and custody of the property, at the described premises, or in transit between any of these places.
- c. We will not pay for loss or damage:
- (1) To household and personal effects in living quarters occupied by you, your partner, officer, director or stockholder or any relative of any of these.
 - (2) To accounts, deeds or manuscripts.
 - (3) To evidences of debt other than "securities".
 - (4) Of property that is missing when there is no physical evidence to show what happened to it, such as shortage disclosed on taking inventory.
 - (5) Resulting from any dishonest or criminal act:
 - (a) That you or any of your partners commit whether acting alone or in collusion with other persons; or
 - (b) Committed by any of your employees, directors, trustees or authorized representatives:
 - (i) Acting alone or in collusion with other persons; or
 - (ii) While performing services for you or otherwise.

- (6) Resulting from 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.
 - (7) Of property that has been transferred to a person or place outside the described premises on the basis of unauthorized instructions.
 - (8) Resulting from delay, loss of use or loss of market.
 - (9) Occurring during a fire at the described premises.
- d. The most we will pay for loss or damage in any one occurrence is:
- (1) The limit shown in the Declarations for Inside the Premises for "money" and "securities" while:
 - (a) In or on the described premises; or
 - (b) Within a bank or savings institution;
 - (2) The limit shown in the Declarations for Outside the Premises for "money" and "securities" while anywhere else; and
 - (3) 25% of the Business Personal Property Limit of Insurance for all other property. But each of the following types of property are covered only up to \$2,500:
 - (a) Furs, fur garments and garments trimmed with fur;
 - (b) Jewelry, watches, watch movements, jewels, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item; and
 - (c) Patterns, dies, molds and forms.
- e. All loss or damage:
- (1) Caused by one or more persons; or
 - (2) Involving a single act or series of related acts;
- is considered one occurrence.

I. Paragraph H.11. **Definitions** does not apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LOSS PAYABLE PROVISIONS

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE*				
Prem. No.	Bldg. No.	Description Of Property	Loss Payee (Name & Address)	Provision Applicable (Indicate Paragraph A, B or C)

The following is added to the **Loss Payment** Property Loss Condition in **Section I – Property**, as shown in the Declarations or by an "A", "B" or "C" in the Schedule:

A. Loss Payable

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

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

B. Lender's Loss Payable

1. The Loss Payee shown in the Schedule or in the Declarations is a creditor (including a mortgageholder or trustee) with whom you have entered a contract for the sale of Covered Property, whose interest in that Covered Property is established by such written contracts as:

- a. Warehouse receipts;
- b. A contract for deed;
- c. Bills of lading; or
- d. Financing statements.

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

- a. We will pay for covered loss or damage to each Loss Payee in their order of precedence, as interests may appear.

b. The Loss Payee has the right to receive loss payment even if the Loss Payee has started foreclosure for similar action on the Covered Property.

c. If we deny your claim because of your acts or because you have failed to comply with the terms of this policy, the Loss Payee will still have the right to receive loss payment if the Loss Payee:

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

All of the terms of Section I – Property will then apply directly to the Loss Payee.

d. If we pay the Loss Payee for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this policy:

- (1) The Loss Payee's rights will be transferred to us to the extent of the amount we pay; and

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



- (2) The Loss Payee's right to recover the full amount of the Loss Payee's claim will not be impaired.

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

3. If we cancel this policy, we will give written notice to the Loss Payee at least:
- a. 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
4. If we do not renew this policy, we will give written notice to the Loss Payee at least 10 days before the expiration date of this policy.

C. Contract Of Sale

1. The Loss Payee shown in the Schedule or in the Declarations is a person or organization you have entered a contract with for the sale of Covered Property.
2. For Covered Property in which both you and the Loss Payee have an insurable interest, we will:
 - a. Adjust losses with you; and
 - b. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.
3. The following is added to Paragraph H. **Other Insurance** in **Section III – Common Policy Conditions**:

For Covered Property that is the subject of a contract of sale, the word "you" includes the Loss Payee.

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This Endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

BUSINESS INCOME AND EXTRA EXPENSE EXCLUSION

It is agreed that SECTION I – PROPERTY, A. Coverage, 5. Additional Coverages, f. Business Income, (1) Business Income, (2) Extended Business Income and g. Extra Expense are deleted in their entirety, unless a limit is shown on the DECLARATIONS or EXTENSION OF DECLARATIONS.

All other terms and conditions of this **Policy** remain unchanged. This endorsement is a part of your **Policy** and takes effect on the effective date of your **Policy** unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This Endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

THEFT LIMITATION

The following Theft Limitation is added to SECTION I – PROPERTY; A. Coverage; 4. Limitations; c.:

(4) \$5,000* for all other types of Business Personal Property.

* If a different theft limitation applies it will be shown in the Declarations or Extension of Declarations.

All other terms and conditions of this Policy remain unchanged. This endorsement is a part of your Policy and takes effect on the effective date of your Policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

THEFT EXCLUSION

The following is added to SECTION I – Property; B. Exclusion 2.:

- p. We will not pay for loss or damage caused by or resulting from theft.
But we will pay for:
 - 1. Loss or damage that occurs due to looting at the time and place of a riot or civil commotion; or
 - 2. Building damage caused by the breaking in or exiting of burglars.

And if theft results in another Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

All other terms and conditions of this policy remain unchanged. This endorsement is a part of your policy and takes effect on the effective date of your policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This Endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

BUSINESS INCOME AND EXTRA EXPENSE LIMIT

It is agreed that under the SECTION I – PROPERTY; A. Coverage; 5. Additional Coverages; f. Business Income; (4) “This Additional Coverage is not subject to the Limits of Insurance of SECTION I – PROPERTY.” is deleted in its entirety and replaced with the following:

(4) The most we will pay under the Business Income additional coverages is the Limit of Insurance which will be shown in the DECLARATIONS or EXTENSION OF DECLARATIONS.”

It is agreed that under the SECTION I – PROPERTY; A. Coverage; 5. Additional Coverages; g. Extra Expense; (4) “We will only pay for Extra Expense that occurs within 12 consecutive months after the date of direct physical loss or damage. This Additional Coverage is not subject to the Limits of Insurance of SECTION I – PROPERTY.” is deleted in its entirety and replaced with the following:

(4) We will only pay for Extra Expense that occurs within 12 consecutive months after the date of direct physical loss or damage. The most we will pay under the Extra Expense additional coverages is the Limit of Insurance which will be shown in the DECLARATIONS or EXTENSION OF DECLARATIONS.”

The limit shown for Business Income and Extra Expense on the DECLARATIONS or EXTENSION OF DECLARATIONS is the total limit for both additional coverages.

All other terms and conditions of this **Policy** remain unchanged. This endorsement is a part of your **Policy** and takes effect on the effective date of your **Policy** unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This Endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

HIRED AUTO AND NON-OWNED AUTO LIABILITY

SCHEDULE

Coverage	Additional Premium
Hired Auto Liability	
Non-Owned Auto Liability	
<p>A. Insurance is provided only for those coverages for which a specific premium charge is shown in the Declarations or in the Schedule.</p> <p>1. HIRED AUTO LIABILITY The insurance provided under SECTION II – LIABILITY; A. Coverages 1. Business Liability; applies to “bodily injury” or “property damage” arising out of the maintenance or use of a “hired auto” by you or your “employees” in the course of your business.</p> <p>2. NON-OWNED AUTO LIABILITY The insurance provided under SECTION II – LIABILITY; A. Coverages 1. Business Liability; A. Coverages 1. Business Liability, applies to “bodily injury” or “property damage” arising out of the use of any “non-owned auto” in your business by any person other than you.</p> <p>B. For insurance provided by this endorsement only:</p> <p>1. The exclusions, under SECTION II – LIABILITY; B. Exclusions; 1. Applicable to Business Liability Coverage; other than exclusions a., b., d., f. and i. and the Nuclear Energy Liability Exclusion, are deleted and replaced by the following:</p> <p>a. “Bodily injury” to:</p> <p style="padding-left: 20px;">(1) An “employee” of the insured arising out of and in the course of:</p>	<p>(a) Employment by the insured; or</p> <p>(b) Performing duties related to the conduct of the insured’s business; or</p> <p>(2) The spouse, child, parent, brother or sister of that “employee” as a consequence of Paragraph (1) above.</p> <p>This exclusion applies:</p> <p>(a) Whether the insured may be liable as an employer or in any other capacity; and</p> <p>(b) To any obligation to share damages with or repay someone else who must pay damages because of injury.</p> <p>This exclusion does not apply to:</p> <p>(i) Liability assumed by the insured under an “insured contract”; or</p> <p>(ii) “Bodily injury” arising out of and in the course of domestic employment by the insured unless benefits for such injury are in whole or in part either payable or required to be provided under any workers compensation law.</p> <p>b. “Property damage” to:</p> <p>(1) Property owned or being transported by, or rented or loaned to the insured; or</p> <p>(2) Property in the care, custody or control of the insured,</p>

2. **SECTION II – LIABILITY; C. Who Is An Insured;** is replaced by the following:
Each of the following is an insured under this endorsement to the extent set forth below:
- a. You;
 - b. Any other person using a “hired auto” with your permission;
 - c. For a “non-owned auto”, any partner or “executive officer” of yours, but only while such “non-owned auto” is being used in your business; and
 - d. Any other person or organization, but only for their liability because of acts or omissions of an insured under **a.**, **b.** or **c.** above.
- None of the following is an insured:
- (1) Any person engaged in the business of his or her employer for “bodily injury” to any co-“employee” of such person injured in the course of employment, or to the spouse, child, parent, brother or sister of that co-“employee” as a consequence of such “bodily injury”, or for any obligation to share damages with or repay someone else who must pay damages because of the injury;
 - (2) Any partner or “executive officer” for any “auto” owned by such partner or officer or a member of his or her household;
 - (3) Any person while employed in or otherwise engaged in duties in connection with an “auto business”, other than an “auto business” you operate;
 - (4) The owner or lessee (of whom you are a sub lessee) of a “hired auto” or the owner of a “non-owned auto” or any agent or “employee” of any such owner or lessee;
 - (5) Any person or organization for the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations.
- 3. This insurance does not apply: If you regularly deliver the good or products which you are in the business of selling, “Bodily Injury” or “Property Damage” arising out of the delivery of those goods or products.
 - 4. This insurance does not apply: If you deliver any goods or products for a charge, “Bodily Injury” or “Property Damage” arising out of the delivery of those goods or products.
- C. The following additional definitions apply:
- 23. “**Auto Business**” means the business or occupation of selling, repairing, servicing, storing or parking “autos”.
 - 24. “**Hired Auto**” means any “auto” you lease, hire or borrow. This does not include any “auto” you lease, hire, rent or borrow from any of your “employees” or members of their households, or from any partner or “executive officer” of yours. This DOES NOT include any “Auto” you lease for a period of more than 30 consecutive days.
 - 25. “**Non-Owned Auto**” means any “auto” you do not own, lease, hire, rent or borrow which is used in connection with your business. However, if you are a partnership, a “non-owned auto” does not include any “auto” owned by any partner.

All other terms and conditions of this Policy remain unchanged. This endorsement is a part of your Policy and takes effect on the effective date of your Policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This Endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

FIREARMS EXCLUSION

The following exclusion is added to SECTION II – LIABILITY; B. Exclusions; 1.
Applicable To Business Liability Coverage:

u. This insurance shall not apply to “bodily injury”, “property damage”, or “personal and advertising injury” arising out of firearms.

The following exclusion is added to SECTION II – LIABILITY; B. Exclusions; 2.
Applicable To Medical Expenses Coverage:

n. This insurance shall not apply to Medical Expenses arising out of firearms.

All other terms and conditions of this Policy remain unchanged. This endorsement is a part of your Policy and takes effect on the effective date of your Policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE FORM
BUSINESSOWNERS COVERAGE FORM
COMMERCIAL UMBRELLA POLICY
EXCESS LIABILITY POLICY**

“ASSAULT” or “BATTERY” EXCLUSION

This insurance does not apply to:

Any claim, demand or “suit” based on “assault” or “battery”, or out of any act or omission in connection with the prevention or suppression of any “assault” or “battery”, including the use of reasonable force to protect persons or property, whether caused by or at the instigation or direction of an insured, its “employees”, agents, officers or directors, patrons or any other person. Further, no coverage is provided for any claim, demand or suit in which the underlying operative facts constitute “assault” or “battery”.

This exclusion applies to all “bodily injury”, or “property damage” sustained by any person, including emotional distress and mental anguish, arising out of “assault” or “battery” whether alleged, threatened or actual including but not limited to “assault” or “battery” arising out of or caused in whole or in part by negligence or other wrongdoing with respect to:

- a. hiring, placement, employment, training, supervision or retention of a person for whom any insured is or ever was legally responsible; or
- b. investigation or reporting any “assault” or “battery” to the proper authorities; or
- c. the failure to so report or the failure to protect any person while that person was in the care, custody or control of the insured, its “employees”, agents, officers or directors; or
- d. any other negligent action.

“Assault” means the threat or use of force on another that causes that person to have apprehension of imminent harmful or offensive conduct, whether or not the threat or use of force is alleged to be negligent, intentional or criminal in nature.

“Battery” means negligent or intentional wrongful physical contact with another without consent that results in physical or emotional injury.

All other terms and conditions of this policy remain unchanged. This endorsement is a part of your policy and takes effect on the effective date of your policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This Endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

EXCLUSION – PROPERTY OF OTHERS

Section I – Property; A. Coverage; b. (2) is deleted in its entirety

Section I – Property; E. Property Loss Conditions; item 6. Loss Payment; Part d. (3) (b) is deleted in its entirety

Section I – Property; A. Coverage; 2. Property not Covered; item i is added:

- i. Property of others that is in your care, custody or control.

All other terms and conditions of this **Policy** remain unchanged. This endorsement is a part of your **Policy** and takes effect on the effective date of your **Policy** unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This Endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

EXCLUSION – Loss or Damage by Theft of Certain Items

Section I – Property; A. Coverage; 4. Limitations; item c. is deleted in its entirety.

Section I – Property; A. Coverage; 2 Property Not Covered; item j is added:

j. Furs, fur garments, garments trimmed with fur, jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals, patterns, dies, molds and forms for loss or damage by theft.

All other terms and conditions of this **Policy** remain unchanged. This endorsement is a part of your **Policy** and takes effect on the effective date of your **Policy** unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

“EQUIPMENT BREAKDOWN” ENHANCEMENT ENDORSEMENT

This endorsement changes coverage provided by the **Businessowners Coverage Form** and endorsements thereto.

SECTION I – PROPERTY

A. Coverage

The following Limitations are deleted:

4. Limitations

- a. We will not pay for loss of or damage to:
 - (1) Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
 - (2) Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.

The following **Coverage Extensions** have been added:

6. Coverage Extensions

g. Expediting Expense

At our sole discretion, we will pay for the expediting expense loss resulting from an “Equipment Breakdown” causing damage to **Covered Property**. We will pay the “reasonable extra cost” to:

- (1) Make temporary repairs; and
- (2) Expedite permanent repairs; and
- (3) Expedite permanent replacement.

“Reasonable extra cost” shall mean the extra cost of temporary repair and of expediting the repair of such damaged equipment of the insured, including overtime and the extra cost of express or other rapid means of transportation. This will be a part of and not an addition to the limit shown on the Declaration Page.

h. Refrigerant Contamination

We will pay for contamination by a refrigerant resulting from “Equipment Breakdown” causing damage to **Covered Property**.

The most we will pay for loss or damage under this coverage is \$25,000 unless a higher limit is provided by endorsement. In that case, whichever limit is greater will apply. This payment may be adjusted for salvage expenses or recoveries, if any.

i. Spoilage Coverage

We will pay for loss of perishable goods due to spoilage resulting from lack of power, light, heat, steam or refrigeration caused by “Equipment Breakdown” to types of property covered by this policy, that are:

- (1) located on or within 1,000 feet of the described premises;
- (2) owned by the building owner at the described premises, or owned by a public utility; and
- (3) used to supply telephone, electricity, air conditioning, heating, gas, water or steam to the described premises.

However, we will not pay for any loss, damage, cost or expense for which coverage is provided by the **Businessowners Coverage Form** and endorsements thereto.

The most we will pay for loss or damage under this coverage is \$25,000 unless a higher limit is provided by endorsement. This payment may be adjusted for salvage expenses or recoveries if any.

B. Exclusions

Exclusion 1.e. Power Failure is amended to add the following:

1.e. Power Failure

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

However, we will pay for loss resulting in a Business Income or Extra Expense loss due to an “Equipment Breakdown” to covered equipment that occurs on or within 1,000 feet of the described premises.

If failure of power or other utility service results in an “Equipment Breakdown” to **Covered Property**, we will pay for the loss or damage caused by the “Equipment Breakdown”.

This exclusion does not apply to loss or damage to “computer(s)” and “electronic media and records”.

However, we will not pay for any loss, damage, cost or expense for which coverage is provided by the **Businessowners Coverage Form** and endorsements thereto.

The following **Exclusions** are deleted in their entirety:

2. a. Electrical Apparatus

2. d. Steam Apparatus

Exclusion **2.I. Other Types Of Loss** item **(6)** is deleted in its entirety

F. Property General Conditions

The following **Property General Conditions** are added:

5. Suspension

Whenever **Covered Property** is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss to that **Covered Property** for the perils covered by this endorsement. Coverage can be suspended and possibly reinstated by delivering or mailing a written notice of suspension / coverage reinstatement to:

- (a) Your last known address; or
- (b) The address where the property is located.

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

G. Optional Coverages

1. Outdoor Signs, Item c. (5) Mechanical Breakdown is deleted in its entirety.

4. Mechanical Breakdown is deleted in its entirety and replaced by the provisions of this “Equipment Breakdown” endorsement.

H. Property Definitions

11. “Specified Causes of Loss” also means “Equipment Breakdown”

“Equipment Breakdown” is added.

14. “Equipment Breakdown” as used herein means:

A. Physical loss or damage both originating within:

1. Boilers, fired or unfired pressure vessels, vacuum vessels, and pressure piping, all normally subject to vacuum or internal pressure other than static pressure of contents, excluding:
 - a. waste disposal piping; and/or
 - b. any piping forming part of a fire protective system; and/or
 - c. furnaces; and
 - d. any water piping other than:
 - (1) boiler feed water piping between the feed pump and the boiler; or
 - (2) boiler condensate return piping; or
 - (3) water piping forming part of a refrigerating or air conditioning system used for cooling, humidifying or space heating purposes.
 2. All mechanical, electrical, electronic or fiber optic equipment; and
- B.** Caused by, resulting from, or consisting of:
1. Mechanical breakdown; or
 2. Electrical or electronic breakdown meaning breakdown from artificially generated electrical current, including electrical arcing, that disturbs electrical devices, appliances or wires; or
 3. Rupture, bursting, bulging, implosion, or steam explosion.

However, "Equipment Breakdown" does not mean:

Physical loss or damage caused by or resulting from any of the following; however if loss or damage not otherwise excluded results, then we will pay for such resulting damage:

1. Wear and tear;
2. Rust or other corrosion, decay, deterioration, hidden or latent defect, mold 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 birds, rodents or other animals;
6. The following causes of loss to personal property:
 - a. dampness or dryness of atmosphere;
 - b. marring or scratching.

All other terms and conditions of this policy remain unchanged. This endorsement is a part of your policy and takes effect on the effective date of your policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This Endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

**EXCLUSION – ASBESTOS, LEAD CONTAMINATION, ABSOLUTE
POLLUTION, Mold, FUNGUS, BACTERIA, VIRUS and ORGANIC
PATHOGEN**

ASBESTOS MATERIAL EXCLUSION - PROPERTY

SECTION I – PROPERTY; B. EXCLUSIONS; 2. q is added as follows:

Coverage under this policy does not insure loss or expense resulting from:

- a) demolition or increased cost of reconstruction, repair, debris removal or loss of use necessitated by the enforcement of any law or ordinance regulating asbestos material.
- b) any government direction or request declaring that asbestos material present in or part of or utilized on any undamaged portion of the insured's property can no longer be used for the purpose for which it was intended or installed and must be removed or modified.

EXCLUSION - LEAD CONTAMINATION - PROPERTY

SECTION I – PROPERTY; B. EXCLUSIONS; 2. r is added as follows:

Coverage under this policy does not apply to, and we will not defend or pay any loss arising, directly out of or indirectly resulting from, based upon or in any way involving the existence of lead in any form.

ABSOLUTE POLLUTION EXCLUSION – PROPERTY

SECTION I; B. Exclusions; item 2. j is deleted and replaced in its entirety with the following:

j. Pollution

Coverage under this policy does not apply:

1. to direct physical loss of or damage to Covered Property,
2. to your expense to remove debris of Covered Property,
3. to any actual loss of Business Income you sustain due to the necessary suspension of your “operations” during the “period of restoration”,
4. to any extra expense you incur during the “period of restoration”,
5. to damages for the devaluation of property or for the taking, use or acquisition or interference with the rights of others in property or air space.
6. to any loss, cost or expense, including but not limited to fines and penalties, arising out of any governmental direction or request, or any private party or citizen action, that an insured test for, monitor, clean up, remove, contain, treat, detoxify or neutralize “pollutants”, or
7. to any litigation or administrative procedure in which an insured may be involved as a party;

arising directly, indirectly, or in concurrence, or in any sequence out of actual, alleged or threatened existence, discharge, dispersal, release or escape of “pollutants”, whether or not such actual, alleged or threatened existence, discharge, dispersal, release or escape is sudden, accidental or gradual in nature.

In addition, this insurance does not apply to any “bodily injury”, “property damage”, “personal injury and advertising injury”, loss, cost or expense arising out of or related to any form of “pollutant”, whether or not such actual, alleged or threatened existence, discharge, dispersal, release or escape is intentionally caused, or whether or not such injury, damage, devaluation, cost or expense is expected or intended from the standpoint of the insured.

This exclusion applies even if such “pollutant” has a function in, or is used by you in your business, operations, premises, site or location.

“Pollutants” means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapor, soot, fumes, acids, alkalis, chemicals, toxic materials, “volatile organic compound” and gases therefrom, radon, combustion byproducts and “waste.”

“Volatile organic compound” means any compound which discharges organic gases as it decomposes or evaporates, examples of which include but are not limited to formaldehyde, pesticides, adhesives, construction materials made with organic chemicals, solvents, paint varnish and cleaning products.

“Waste” means any property intended to be disposed, recycled, reused or reclaimed by the owner or user thereof.

**MOLD, FUNGUS, BACTERIA, VIRUS OR ORGANIC PATHOGEN
EXCLUSION – PROPERTY**

SECTION I; B. EXCLUSIONS; item 2. s is added as follows:

s. Coverage under this policy does not apply:

1. to direct physical loss of or damage to Covered Property,
2. to your expense to remove debris of Covered Property,
3. to any actual loss of Business Income you sustain due to the necessary suspension of your “operations” during the “period of restoration”,
4. to any extra expense you incur during the “period of restoration”,
5. to damages for the devaluation of property or for the taking, use or acquisition or interference with the rights of others in property or air space.
6. to any loss, cost or expense, including but not limited to fines and penalties, arising out of any governmental direction or request, or any private party or citizen action, that an insured test for, monitor, clean up, remove, contain, treat, detoxify or neutralize “organic pathogens”, or
7. to any litigation or administrative procedure in which an insured may be involved as a party;

arising directly, indirectly, or in concurrence, or in any sequence out of actual, alleged or threatened existence, discharge, dispersal, release or escape of “organic pathogens”, whether or not such actual, alleged or threatened existence, discharge, dispersal, release or escape is sudden, accidental or gradual in nature.

In addition, this insurance does not apply to any “bodily injury”, “property damage”, “personal injury and advertising injury”, loss, cost or expense arising out of or related to any form of “organic pathogen”, whether or not such actual, alleged or threatened existence, discharge, dispersal, release or escape is intentionally caused, or whether or not such injury, damage, devaluation, cost or expense is expected or intended from the standpoint of the insured.

“Organic pathogen” means any organic irritant or contaminant, including but not limited to mold, fungus, bacteria or virus, including but not limited to their byproduct such as mycotoxin, mildew, or biogenic aerosol.

All other terms and conditions of this Policy remain unchanged. This endorsement is a part of your Policy and takes effect on the effective date of your Policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

**ABSOLUTE EXCLUSION FOR POLLUTION, ORGANIC PATHOGEN,
SILICA, ASBESTOS AND LEAD**

SECTION II – LIABILITY; B. Exclusions; 1 Applicable to Business Liability; f. Pollution is deleted in its entirety and replaced with the following:

f. Pollution, Organic Pathogen, Silica, Asbestos and Lead

- (1) “Bodily injury”, “property damage”, or “personal and advertising injury”; or
- (2) Diminishing or lessening in value of property or for damages from the taking, use or acquisition or interference with the rights of others in property or air space; or
- (3) Loss, cost or expense, including but not limited to payment for investigation or defense, fines and penalties, arising out of any governmental or any private party action, that an insured or any other party test for, monitor, clean up, remove, contain, mitigate, treat, detoxify or neutralize or in any way respond to or assess the actual or alleged effects of “pollutants”, “organic pathogens”, “silica”, asbestos, or lead

arising directly, indirectly, or in concurrence or in any sequence out of actual, alleged or threatened presence of or exposure to, ingestion, inhalation, absorption, contact with discharge, dispersal, seepage, release or escape of “pollutants”, “organic pathogens”, “silica”, asbestos, or lead, whether or not any of the foregoing are (1) sudden, accidental or gradual in nature; (2) intentional; or (3) expected or intended from the standpoint of the insured.

This exclusion applies even if the “pollutant”, “organic pathogen”, “silica”, asbestos or lead has a function in, or is used by you in your business, operations, premises, site or location.

This exclusion does not apply to “bodily injury” or “property damage” arising from the consumption of food products intended for human consumption.

“Pollutants” means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapor, soot, fumes, acids, alkalis, chemicals, toxic materials, “volatile organic compound” and gases therefrom, radon, combustion byproducts and “waste.”

“Silica” means silica in any form and any of its derivatives, including but not limited to silica dust, silicon dioxide, crystalline silica, quartz, or non-crystalline (amorphous) silica.

“Volatile organic compound” means any compound which discharges organic gases as it decomposes or evaporates, examples of which include but are not limited to formaldehyde, pesticides, adhesives, construction materials made with organic chemicals, solvents, paint, varnish and cleaning products.

“Waste” means any property intended to be disposed, recycled, reused or reclaimed by the owner or user thereof.

“Organic pathogen” means any organic irritant or contaminant, including but not limited to mold, fungus, bacteria or virus, including but not limited to their byproduct such as mycotoxin, mildew, or biogenic aerosol.

All other terms and conditions of this policy remain unchanged. This endorsement is a part of your policy and takes effect on the effective date of your policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This Endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

BUSINESSOWNERS VALUE PLUS ENDORSEMENT

SCHEDULE

<u>Coverage</u>	<u>Limits of Insurance</u>
Fire Department Service Charge	\$2,500
Personal Property Off Premises	\$15,000
Personal Effects	Up to Your Business Personal Property limit
Valuable Papers and Records	\$25,000 On premises \$10,000 Off premises
Account Receivable	\$25,000 On premises \$10,000 Off premises
Outdoor Property Including Playground Equipment	\$10,000
Arson Reward	\$5,000
Water Back-Up and Sump Overflow	\$5,000
Signs	\$5,000
Money and Security	\$5,000
Employee Dishonesty	\$5,000
Cost of Bail Bonds	\$500
Defense or Investigation Assistance Loss Of Earnings	\$1,000

1. **Section I – Property; A. Coverage; 5. Additional Coverages; c. Fire Department Service Charge** is amended to reflect that the most we will pay is increased from \$1,000 to \$2,500.
2. **Section I – Property; A. Coverage; 6. Coverage Extensions** is amended as follows:
 - A. **Part b. Personal Property Off Premises** is amended to reflect that the most we will pay is increased from \$5,000 to \$15,000.
 - B. **Part d. Personal Effects** is amended to reflect that the most we will pay is increased from \$2,500 to your Business Personal Property Limit as shown on the Declarations Page.
 - C. **Part e. Valuable Papers And Records, (3)** is amended to reflect that the most we will pay is increased from \$10,000 to \$25,000 at the described premises and from \$5,000 to \$10,000 not at the described premises.
 - D. **Part f. Accounts Receivable, (2)** is amended to reflect that the most we will pay is increased from \$10,000 to \$25,000 at the described premises and from \$5,000 to \$10,000 not at the described premises.
3. **Section I – Property; A. Coverage; 6. Coverage Extensions; c. Outdoor Property** is deleted in its entirety and replaced with the following:

c. Outdoor Property

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

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

The most we will pay for loss or damage under this Extension is \$10,000, but not more than \$500 for any one tree, shrub or plant.

- d. The following are added to **Section I – Property; 6. Coverage Extensions**:

g. Arson Reward

In the event that a covered fire loss was the result of an act of arson, we will reimburse you up to \$5,000 for rewards you pay for information, which leads to an arson conviction for loss or damage covered by this policy. No deductible applies to this Coverage Extension.

h. Water Back-up and Sump Overflow

- a. We will pay for direct physical loss or damage to Covered Property caused by or resulting from:
 - 1. Water which backs up through or overflows from a sewer or drain; or
 - 2. Water which overflows from a sump, even if the overflow results from mechanical breakdown of a sump pump or its related equipment. We will not pay the cost of repairing or replacing a sump pump or its related equipment.
 - b. The coverage described in **Paragraph A.** of Water Back-up and Sump Overflow above, does not apply to loss or damage resulting from an insured's failure to:
 - 1. Keep a sump pump or its related equipment in proper working condition; or
 - 2. Perform the routine maintenance or repair necessary to keep a sewer or drain free from obstructions.
 - c. The most we will pay for the coverage provided under this endorsement is \$5,000.
- e. **Section I – Property; B. Exclusions; 1. g. Water** is deleted in its entirety and replaced with the following:

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; or
- 3. 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.(3)**, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

- f. **Section I – Property; G Optional Coverages;** Only the first paragraph is deleted in its entirety and replaced with the following:

G. Optional Coverages

The standard limit shown in this Businessowners Value Plus Endorsement is a replacement for showing the limit on the Declarations. If a limit other than the standard limits shown below is provided, the applicable limit will be displayed in the

Declarations. These coverages are subject to the terms and conditions applicable to property coverage in this policy, except as provided below.

1. Outdoor Sign

The most we will pay for loss or damage in any one occurrence is \$10,000 unless a different limit is shown in the declarations.

2. Money and Securities

The most we will for loss in any one occurrence is:

1. \$5,000, unless a different limit is shown in the declarations, for Inside the Premises for “money” and “securities” while:
 - a. In or on the described premises; or
 - b. Within a bank or saving institution;and
2. \$5,000, unless a different limit is shown in the declarations, for Outside the Premises for “money” and “securities” while anywhere else.

3. Employee Dishonesty

The most we will pay for loss or damage in any one occurrence is \$5,000, unless a different limit is shown in the declarations.

- g. **Section II – Liability; A. Coverages; 1. Business Liability; f. Coverage Extension – Supplementary Payments; (1). (b)** The limit we will pay up to is increased from \$250 to \$500.
- h. **Section II – Liability; A. Coverages; 1. Business Liability; f. Coverage Extension – Supplementary Payments; (1). (d)** The limit we will pay up to is increased from \$250 to \$1000.

All other terms and conditions of this **Policy** remain unchanged. This endorsement is a part of your **Policy** and takes effect on the effective date of your **Policy** unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This Endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

EXCLUSION - ATHLETIC ACTIVITY OR SPORT PARTICIPANTS

SECTION II - LIABILITY, B. Exclusions, 1. Applicable To Business Liability Coverage, item II. is added as follows:

II. Athletic Activity or Sport Participants

"Bodily injury" to any person practicing, instructing or participating in any physical training, sport, athletic activity or contest whether on a formal or informal basis.

All other terms and conditions of this Policy remain unchanged. This endorsement is a part of your Policy and takes effect on the effective date of your Policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This Endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

ADDITIONAL INSURED – GRANTOR OF FRANCHISE

SCHEDULE*

Name of person or Organization:

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

SECTION II – LIABILITY; C. Who Is An Insured; 2. Each of the following is also an insured; is amended to include:

e. Any person or organization shown in the Schedule is also an insured, but only with respect to their liability as a grantor of a franchise to you.

All other terms and conditions of this **Policy** remain unchanged. This endorsement is a part of your **Policy** and takes effect on the effective date of your **Policy** unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

BUSINESS INCOME AND EXTRA EXPENSE COVERAGE LIMITATION

- I. It is agreed that under SECTION I-Property; A. Coverage; 5. Additional Coverages; f. Business Income; (4) “This Additional Coverage is not subject to the Limits of Insurance of SECTION I – Property” is deleted in its entirety and replaced with the following:
- (4) The most we will pay under the Business Income additional coverages is 25% of the Covered Property Limit per location shown in the Declarations. Included in this limit will be the extra expense to avoid or minimize the suspension of business to continue “operations” to the extent it reduces the amount of loss that otherwise would have been payable under additional coverage Business Income.
- II. It is agreed that under the SECTION I – PROPERTY; A. Coverage; 5. Additional Coverages; g. Extra Expense; (4) “We will only pay for Extra Expense that occurs within the 12 consecutive months after the date of direct physical loss or damage. This Additional Coverage is not subject to the Limits of Insurance of SECTION I – Property” is deleted in its entirety and replaced with the following:
- (4) We will only pay for Extra Expense that occurs within 12 consecutive months after the date of direct physical loss or damage. The most we will pay under the Extra Expense additional coverages is 10% of the Covered Property Limit per location shown in the Declaration.

All other terms and conditions of this Policy remain unchanged. This endorsement is part of your Policy and takes effect on the effective date of your Policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

**EXCLUSION – VIOLATION OF STATUTES THAT GOVERN
E-MAILS, FAXES, PHONE CALLS OR OTHER METHODS OF
SENDING MATERIAL OR INFORMATION**

The following exclusion **q.** is added to:

SECTION II – LIABILITY

B. Exclusions

1. Applicable To Business Liability Coverage

This insurance does not apply to:

q. Distribution Of Material In Violation Of Statutes

“Bodily injury”, “property damage”, or “personal and advertising injury” arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- (3) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

All other terms and conditions of this Policy remain unchanged. This endorsement is a part of your Policy and takes effect on the effective date of your Policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

EXCLUSION – DESIGNATED PRODUCTS

SCHEDULE

Designated Product(s): Products intended for use by or for infants or children, including but not limited to clothing, toys, furniture or equipment.

This insurance does not apply to “bodily injury” or “property damage” included in the “products-completed operations hazard” and arising out of any of “your products” shown in the Schedule

All other terms and conditions of this Policy remain unchanged. This endorsement is a part of your Policy and takes effect on the effective date of your Policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

PUNITIVE OR EXEMPLARY DAMAGES EXCLUSION

Regardless of any other provision of this policy, this policy does not apply to punitive or exemplary damages.

If a suit is brought against any insured, and falls within the coverage provided by the policy, seeking both compensatory damages (damages for economic loss and pain and suffering) and punitive or exemplary damages (damages as a means of punishment), no coverage shall be provided by this policy for any costs, interest, defense costs or damages attributable to punitive or exemplary damages.

Punitive or exemplary damages are defined as those damages imposed to punish a wrongdoer and to deter others from similar conduct.

All other terms and conditions of this policy remain unchanged. This endorsement is a part of your policy and takes effect on the effective date of your policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

**ABSOLUTE EXCLUSION FOR LIQUOR LIABILITY AND
LIABILITY ARISING OUT OF LIQUOR RELATED SERVICES**

SECTION II – LIABILITY: B. Exclusions; 1. Applicable To Business Liability Coverage; c. Liquor Liability is deleted in its entirety and replaced by the following:

- c. “Bodily injury”, “property damage”, or “personal and advertising injury” for which any insured may be held liable by reason of:
- a. Causing or contributing to the intoxication of any person;
 - b. The furnishing of alcoholic beverages to a person under the legal drinking age;
 - c. The furnishing of alcoholic beverages to a person who is under the influence of alcohol;
 - d. Violation of any statute, ordinance or regulation relating to the sale, gift, distribution, furnishing or use of alcoholic beverages;

This exclusion applies to all injury sustained by any person, including mental anguish or emotional distress, whether alleged, threatened or actual including but not limited to your negligence or other wrongdoing with respect to:

- a. Hiring, placement, employment, training, supervision or retention of a person for whom any insured is or ever was legally responsible; or
- b. Investigation or reporting to the proper authorities, or failure to so report or the failure to protect any person while that person was in the insured’s care, custody or control.

All other terms and conditions of this policy remain unchanged. This endorsement is a part of your policy and takes effect on the effective date of your policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This Endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

EXPANDED DEFINITION OF BODILY INJURY

The Definition of "bodily injury" is removed in its entirety and replaced with the following:

1. "Bodily injury" means:
 - a. bodily injury,
 - b. sickness,
 - c. disease; or
 - d. mental anguish or emotional distress arising out of a., b., or c., above,

sustained by a person, including death resulting from any of these at any time.

All other terms and conditions of this policy remain unchanged. This endorsement is a part of your policy and takes effect on the effective date of your policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

Throughout this policy, with the exception of **SECTION II – LIABILITY; C. Who Is An Insured**; when the word “insured(s)” is used it shall mean “any insured(s)”.

All other terms and conditions of this policy remain unchanged. This endorsement is a part of your policy and takes effect on the effective date of your policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

MORTGAGEE/LOSS PAYABLE PROVISION

SCHEDULE

Prem. No.	Bldg. No.	Add/Delete	Loss Payee (Name & Address)
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A. Loss Payable

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

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

B. Lender's Loss Payable

1. The Loss Payee shown in the Schedule or in the Declarations is a creditor, including a mortgageholder or trustee, whose interest in Covered Property is established by such written instruments as:
 - a. Warehouse receipts;
 - b. A contract for deed;
 - c. Bills of lading;
 - d. Financing statements; or
 - e. Mortgagees, deeds of trust, or security agreements.
2. For Covered Property in which both you and a Loss Payee have an insurable interest:
 - a. We will pay for covered loss or damage to each Loss Payee in their order of precedence, as interest may appear.
 - b. The Loss Payee has the right to receive loss payment even if the Loss Payee has started foreclosure or similar action on the Covered Property.
 - c. If we deny your claim because of your acts or because you have failed to comply with the terms of the Coverage Part, the Loss Payee will still have the right to receive loss payment if the Loss Payee:

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

All of the terms of Section I - Property will then apply directly to the Loss Payee

- d. If we pay the Loss Payee for any loss or damage and deny payment to you because of your acts or because you have failed to comply with terms of Section I - Property:
 - (1) The Loss Payee's rights will be transferred to us to the extent of the amount we pay; and
 - (2) The Loss Payee's rights to recover the full amount of the Loss Payee's claim will not be impaired.

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

3. If we cancel this policy, we will give written notice to the Loss Payee at least:
 - a. 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
4. If we elect not to renew this policy, we will give written notice to the Loss Payee at least 10 days before the expiration date of this policy.

C. Contract of Sale

1. The Loss Payee shown in the Schedule or in the Declarations is a person or organization you have entered a contract with for the sale of Covered Property.
2. For Covered Property in which both you and the Loss Payee have an insurable interest we will:
 - a. Adjust losses with you; and
 - b. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.
3. The following is added to Paragraph **H. Other Insurance** in **Section III – Common Policy Conditions**:

For Covered Property that is the subject of a contract of sale, the word "you" includes the Loss Payee.

- D. If the Loss Payee indicated in the schedule is a mortgageholder, **Section I - Property, Subparagraph F, Property General Conditions; 2. Mortgageholders** is made a part of this Endorsement.

All other terms and conditions of this policy remain unchanged. This endorsement is a part of your policy and takes effect on the effective date of your policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This Endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

BUSINESSOWNERS VALUE ENDORSEMENT

SCHEDULE

<u>Coverage</u>	<u>Limits of Insurance</u>
Fire Department Service Charge	\$2,500
Personal Effects	Up to Your Business Personal Property limit
Valuable Papers and Records	\$25,000 On Premises \$10,000 Off Premises
Property Off-Premises	\$15,000
Outdoor Property Including Playground Equipment	\$10,000
Arson Reward	\$5,000
Account Receivable	\$25,000 On Premises \$10,000 Off Premises
Employee Dishonesty	\$5,000
Water Back Up at Sewer, Drain or Sump	\$5,000
Signs	\$5,000
Cost of Bail Bonds	\$500
Defense or Investigation Assistance Loss Of Earnings	\$1,000

1. **Section I – Property; A. Coverage; 5. Additional Coverages; c. Fire Department Service Charge** is increased from \$1,000 to \$2,500.
2. **Section I – Property; A. Coverage; 6. Coverage Extensions** is amended as follows:
 - A. **Paragraph b. Personal Property Off Premises** is increased from \$5,000 to \$15,000.
 - B. **Paragraph d. Personal Effects** is increased from \$2,500 to your Business Personal Property Limit as shown on the Declarations Page.
 - C. **Paragraph e. Valuable Papers and Records** is increased from \$10,000 to \$25,000 at the described premises and from \$5,000 to \$10,000 not at the described premises.
 - D. **Paragraph f. Accounts Receivable (2)** is increased from \$10,000 to \$25,000 at the described premises and from \$5,000 to \$10,000 not at the described premises.
3. **Section I – Property; A. Coverage; 6. Coverage Extensions; c. Outdoor Property** is deleted in its entirety and replaced with the following:

b. Outdoor Property

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

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

The most we will pay for loss or damage under this Extension is \$10,000, but not more than \$500 for any one tree, shrub or plant.

4. The following are added to **Section I – Property; 6. Coverage Extensions**:

g. Arson Reward

In the event that a covered fire loss was the result of an act of arson, we will reimburse you up a total of \$5,000 for all rewards you pay for information which leads to an arson conviction for loss or damage covered by this policy.

h. Water Back-up and Sump Overflow

A. We will pay for direct physical loss or damage to Covered Property caused by or resulting from:

1. Water which backs up through or over flows from a sewer or drain; or

2. Water which overflows from a sump, even if the overflow results from mechanical breakdown of a sump pump or its related equipment.

However, with respect to **Paragraph 2.** of Water Back-up and Sump Overflow above, we will not pay the cost of repairing or replacing a sump pump or its related equipment in the event of mechanical breakdown.

- B.** The coverage described in **Paragraph A.** of Water Back-up and Sump Overflow above, does not apply to loss or damage resulting from an insured's failure to:
 1. Keep a sump pump or its related equipment in proper working condition; or
 2. Perform the routine maintenance or repair necessary to keep a sewer or drain free from obstructions.
- C.** The most we will pay for the coverage provided under this endorsement is \$5,000.
- D.** With respect to the coverage provided under Water Back-up and Sump Overflow , **Exclusion B.1. g. Water in Section I – Property** is replaced by the following exclusion:
 - 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; or
 - (3) 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.(3)**, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

5. Section I – Property; G. Optional Coverages; is amended as follows:

- A. Paragraph 1. Outdoor Sign; d.** is deleted in its entirety and replaced with the following:

The most we will pay for loss or damage in any one occurrence is \$10,000 unless a different limit is shown in the declarations.

B. Paragraph 3. Employee Dishonesty; c. is deleted in its entirety and replaced with the following:

The most we will pay for loss or damage in any one occurrence is \$5,000, unless a different limit is shown in the declarations.

6. Section II – Liability; A. Coverages; 1. Business Liability; f. Coverage Extensions – Supplementary Payments; (1). (b) is increased from \$250 to \$500.

7. Section II – Liability; A. Coverages; 1. Business Liability; f. Coverage Extensions – Supplementary Payments; (1). (d) is increased from \$250 to \$1000.

All other terms and conditions of this Policy remain unchanged. This endorsement is a part of your Policy and takes effect on the effective date of your Policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This Endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE FORM
BUSINESSOWNERS COVERAGE FORM
LIQUOR LIABILITY COVERAGE FORM**

EXPANDED DEFINITION OF BODILY INJURY

The Definition of “bodily injury” is removed in its entirety and replaced with the following:

1. "Bodily injury" means:
 - a. bodily injury,
 - b. sickness,
 - c. disease; or
 - d. mental anguish or emotional distress arising out of a., b., or c., above,

sustained by a person, including death resulting from any of these at any time.

All other terms and conditions of this policy remain unchanged. This endorsement is a part of your policy and takes effect on the effective date of your policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This endorsement modifies the following:

BP 101 Exclusion of Certified Acts of Terrorism (Coverage for Certain Fire Losses); BP 102 Exclusion of War, Military Action and Terrorism; BP 103 Exclusion of War, Military Action and Terrorism (Coverage for Certain Fire Losses); BP 104 Exclusion of Certified Acts of Terrorism; CG2173 Exclusion of Certified Acts of Terrorism ; L 526 Absolute War or Terrorism Exclusion; P 246 Exclusion of War, Military Action and Terrorism ; P 247 Exclusion of Certified Acts of Terrorism; P 248 Exclusion of Certified Acts of Terrorism (Coverage for Certain Fire Losses); P 249 Exclusion of War, Military Action and Terrorism (Coverage for Certain Fire Losses)

EXTENSION OF TERRORISM COVERAGE

For the additional premium specified in this Policy, it is hereby agreed that the Exclusion referenced above and attached to this Policy is amended as follows:

The referenced Exclusion shall not apply to loss or damage caused directly or indirectly by certified acts of terrorism under the provisions of the federal Terrorism Risk Insurance Program Reauthorization Act of 2007 ("The Act") and any amendments thereto. The referenced Exclusion also does not apply when "certified acts of terrorism" as defined result in insured losses of \$5 million or less in the aggregate. This Extension of Terrorism Coverage extends coverage under this Policy only to "insured losses" (as defined in The Act) and is subject to the application of any clause in The Act which results in a cap on liability for payments for terrorism losses.

This Extension does not provide coverage for damages arising, directly or indirectly, out of certified acts of terrorism as defined in The Act that are awarded as punitive damages.

The terms and conditions of the referenced 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 policy, including but not limited to losses excluded by one or more of the above referenced exclusions.

Coverage provided by this Policy for losses caused by "certified acts of terrorism" is partially reimbursed by the United States under a formula established by federal law. Under this formula, the United States pays 85% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. Under The Act, the maximum amount that insurers and the federal government are required to pay in respect of terrorism loss(es) in any given Program Year is \$100 billion. The premium charged for this coverage does not include any charges for the portion of loss covered by the federal government under The Act.

The federal government may participate in paying for some of the losses from a "certified act of terrorism". However, if aggregate insured losses attributable to terrorist acts certified under The Act exceed \$100 billion in a Program Year, the federal government shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion. Further, this coverage is subject to a limit on our liability pursuant to the federal law, that is, if aggregate insured losses attributable to terrorist acts certified under The Act exceed \$100 billion in a Program Year and we have met our insurer deductible under The Act, we shall not be liable for the payment of any portion of the amount of such losses that exceed \$100 billion. In such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

All other terms and conditions of this Policy remain unchanged. This endorsement is a part of your Policy and takes effect on the effective date of your Policy unless another effective date is shown.

DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

You are hereby notified that under the Terrorism Risk Insurance Program Reauthorization Act of 2007 ("the Act"), effective December 26th, 2007, you now have a right to purchase insurance coverage for losses arising out of acts of terrorism, *as defined in Section 102(1) of the Act*. The term "act of terrorism" means any 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; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States mission; and to have been committed by an individual or individuals, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

You should know that any coverage for losses caused by certified acts of terrorism is partially reimbursed by the United States under a formula established by federal law. Under this formula, the United States pays 85% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage for each Program Year (January 1 through December 31). The premium charged for this coverage is provided below and does not include any charges for the portion of loss covered by the federal government under the Act.

Coverage for "insured losses", as defined in the Act, is subject to the coverage terms, conditions, amounts and limits in this policy applicable to losses arising from events other than acts of terrorism.

You should know that the Act, as amended, contains a \$100 billion cap that limits U.S. Government reimbursement, as well as insurers' liability, for losses resulting from certified acts of terrorism. When the amount of such losses for all insurers exceeds \$100 billion, your coverage may be reduced.

You should also know that, under federal law, you are not required to purchase coverage for losses caused by certified acts of terrorism.

REJECTION OR SELECTION OF TERRORISM INSURANCE COVERAGE

Please "X" one of the boxes below and return this notice to the Company.

	I decline to purchase Terrorism Coverage. I understand that I will have no coverage for losses arising from acts of Terrorism.
	I elect to purchase coverage for certified acts of Terrorism for a premium of \$_____.

Note: if you do not respond to our offer and do not return this notice to the Company, you will have no Terrorism Coverage under this policy.

Applicant Name (Print)

Named Insured

Authorized Signature

Date

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This Endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

TANNING EXCLUSION

SECTION II – LIABILITY; B. Exclusions; 1. Applicable To Business Liability Coverage; item q. is added as follows:

q. We will not defend or pay for, any claim arising out of, directly or indirectly resulting from, based upon or in any way involving any actual or alleged:

“bodily injury”, “property damage” or “personal injury and advertising injury” arising out of the ownership, lease, operation, maintenance, use, renting, existence or the subcontracting of any equipment used to tan skin.

SECTION II – LIABILITY; B. Exclusions; 2. Applicable To Medical Expenses Coverage; item j. is added as follows:

j. We will not defend or pay for, any claim arising out of, directly or indirectly resulting from, based upon or in any way involving any actual or alleged:

Medical Expenses arising out of the ownership, lease, operation, maintenance, use, renting, existence or the subcontracting of any equipment used to tan skin.

All other terms and conditions of this Policy remain unchanged. This endorsement is a part of your Policy and takes effect on the effective date of your Policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This Endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

**SPECIAL EVENTS EXCLUSION EXCEPTION FOR SCHEDULED
EVENTS**

The following exclusion is added to SECTION II – LIABILITY; B. Exclusions; 1.
Applicable to Business Liability:

s. In addition to the conditions of BP 04 12 – Limitation of Coverage to Designated Premises or Project, it is agreed that coverage for events located off the premises listed on the Declarations or Supplemental Declarations page shall be strictly limited to the event(s) listed in the schedule below by date, location and description:

The following exclusion is added to SECTION II – LIABILITY; B. Exclusions; 2.
Applicable To Medical Expenses Coverage:

i. In addition to the conditions of BP 04 12 – Limitation of Coverage to Designated Premises or Project, it is agreed that coverage for events located off the premises listed on the Declarations or Supplemental Declarations page shall be strictly limited to the event(s) listed in the schedule below by date, location and description:

Schedule*:

- 1.
- 2.
- 3.

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

All other terms and conditions of this Policy remain unchanged. This endorsement is a part of your Policy and takes effect on the effective date of your Policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This Endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

EXCLUSION – LAUNDRY AND DRY CLEANING DAMAGE

Section II – Liability; B. Exclusions; 1. Applicable to Business Liability Coverage; item pp is added:

pp. “Property Damage” to property being laundered or dry cleaned arising out of the operation of any:

- 1) Self-service laundry;
- 2) Coin-operated washing machine, dryer or ironer; or
- 3) Self-service dry cleaner.

All other terms and conditions of this **Policy** remain unchanged. This endorsement is a part of your **Policy** and takes effect on the effective date of your **Policy** unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This Endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

Basement or Below Grade Level Water Damage Exclusion

Section I – Property; B. Exclusions; 1. Item j is added:

j. Water damage to Business Personal Property located in a basement or floor below grade level.

All other terms and conditions of this **Policy** remain unchanged. This endorsement is a part of your **Policy** and takes effect on the effective date of your **Policy** unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

ANIMAL EXCLUSION

It is agreed that **SECTION II – LIABILITY, B. Exclusions, 1. Applicable To Business Liability Coverage**, is amended to add the following:

This insurance does not apply to:

- a. “Bodily injury”, “property damage”, “personal and advertising injury” or medical expenses or cost of defense caused by or arising out of contact with any animals, reptiles, birds, fish, insects, and any animal organism other than human.

All other terms and conditions of this policy remain unchanged. This endorsement is a part of your policy and takes effect on the effective date of your policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

<p>This Endorsement modifies insurance provided under the following: BUSINESSOWNERS COVERAGE FORM</p>

AMENDMENT OF PREMIUM AUDIT CONDITIONS

Section III, Paragraph J. Premium Audit, is hereby deleted in its entirety and replaced with the following:

- J. Premium Audit.
1. We will compute all premiums for this Coverage Part in accordance with our underwriting guides, rules and rates.
 2. We may examine and audit your books and records to compute the total earned premium at any time during the policy period or after the expiration date of a policy issued by the Company. At the close of each audit we may compute the earned premium for the policy period. If the total earned premium for the policy period is less than the advance premium, we will refund the difference to the first Named Insured. If the total earned premium for the policy period as determined by an audit is greater than the advance premium, then additional Audit Premium is due and payable as provided herein. The Premium for this policy may be amended during the current policy term based on the results of an audit of an expired/prior term. This may result in additional premium due to the Company for coverage under this policy.
 3. On the first policy issued to the Named Insured, the Company may examine and audit your books and records for policy period(s) prior to the effective date of our policy.
 4. The first Named Insured must keep current and accurate books and records and provide copies of such information needed for premium computation as our auditing representatives or we may request from time to time.
 5. Failure of the first Named Insured to cooperate with an audit at the expiration date may result in an Estimated Audit Premium being applied to this policy and will result in cancellation of any renewal policy issued by the Company. Failure to cooperate with a current term policy audit may result in cancellation of this policy and retention of any unearned premium. If, subsequent thereto, the first Named Insured cooperates with the audit as requested, earned premium for the policy period will be calculated in accordance with the terms of this Endorsement.
 6. Audit Premium or Estimated Audit Premium is due and payable on notice to the first Named Insured. Failure to pay premium, including any Audit Premium and Estimated Audit Premium, may result in the cancellation of this policy and/or any renewal policy issued by the Company.

All other terms and conditions of this policy remain unchanged. This endorsement is a part of your policy and takes effect on the effective date of your policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

BUSINESS PERSONAL PROPERTY – “STOCK” EXCLUSION

SECTION I – PROPERTY; A. Coverage; 1. Covered Property; b. (1) and (2) are deleted in their entirety and replaced with the following:

- (1) Property you own, other than “stock”, that is used in your business;
- (2) Property of others, other than “stock”, that is in your care, custody or control, except as otherwise provided in Loss Payment Property Loss Condition Paragraph **E.6.d.(3)(b)**;

SECTION I – PROPERTY; A. Coverage; 2. Property Not Covered is amended to add the following:

- i. “Stock”

All other terms and conditions of this policy remain unchanged. This endorsement is a part of your policy and takes effect on the effective date of your policy unless another effective date is shown.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FUNCTIONAL BUSINESS PERSONAL PROPERTY VALUATION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE*

Prem. No.	Bldg. No.	Description Of Business Personal Property	Limit Of Insurance

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

- A. The Limit of Insurance shown in the Schedule of this endorsement is the only limit of insurance applicable to the item(s) of business personal property listed in the Schedule.
- B. Paragraph **E.6.d. Loss Payment** Property Loss Condition in Section **I** – Property does not apply to the item(s) of business personal property listed in the Schedule.
- C. The following **Loss Payment** Property Loss Condition applies to the item(s) of business personal property listed in the Schedule:
 - 1. If you contract for repair or replacement of the loss or damage to restore the item(s) of business personal property listed in the Schedule for the same use, within 180 days of the loss or damage unless we and you otherwise agree, we will pay the smallest of the following:
 - a. The Limit of Insurance shown in the Schedule of this endorsement as applicable to the lost or damaged item(s) of business personal property;
 - b. The "market value" of the lost or damaged item(s) of business personal property at the time of the loss; or
 - c. The amount it would cost to repair or replace that part of the item(s) of business personal property that is lost or damaged with material of like kind and quality less allowance for physical deterioration and depreciation.
 - 2. If you do not make a claim pursuant Paragraph **C.1.** of this endorsement, we will pay the smallest of the following:
 - a. The Limit of Insurance shown in the Schedule of this endorsement as applicable to the lost or damaged item(s) of business personal property;
 - b. The cost to replace, on the same site, the lost or damaged item(s) of business personal property with the most closely equivalent property available; or
 - c. The amount you actually spend that is necessary to repair or replace the lost or damaged item(s) of business personal property.



- D. As used in this endorsement, "market value" means the price which the property might be expected to realize if offered for sale in a fair market.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITED FUNGI OR BACTERIA COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE*

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

The following provisions apply to Section I – Property:

A. Fungi Or Bacteria Exclusions

1. Paragraph **A.5.1.(5)** of the Increased Cost Of Construction Additional Coverage is replaced by the following:

- (5) Under this Additional Coverage, we will not pay for:
 - (a) The enforcement of any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungi", wet or dry rot or bacteria; or
 - (b) Any costs associated with the enforcement of an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants", "fungi", wet or dry rot or bacteria.

2. The following exclusion is added to Paragraph **B.1. Exclusions:**

(i) "Fungi", Wet Rot, Dry Rot And Bacteria

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

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

This exclusion does not apply:

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

3. Paragraph **B.2.i.(2)** of the **Exclusions** is replaced by the following:

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

B. Limited Fungi Or Bacteria Coverage

1. The following **Additional Coverage** is added to Paragraph **A.5**.

i. Limited Coverage For "Fungi", Wet Rot, Dry Rot And Bacteria

(1) The coverage described in Paragraphs **B.1.i.(2)** and **B.1.i.(6)** only applies when the "fungi", wet or dry rot or bacteria are the result of a "specified cause of loss" other than fire or lightning that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.

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

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

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

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

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

(5) The terms of this Limited Coverage do not increase or reduce the coverage provided under the Water Damage, Other Liquids, Powder Or Molten Material Damage or Collapse Additional Coverages.

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

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

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

C. Fungi Definition

1. The following definition is added to Paragraph H. Property Definitions:

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

**BUSINESSOWNERS LIABILITY COVERAGE
DECLARATIONS**

Policy No.

Effective Date: **08/15/2008**
12:01 AM STANDARD TIME

LIMITS OF INSURANCE

Except for Damage To Premises Rented to You, each paid claim for the following coverages reduces the amount of insurance we provide during the applicable annual period. Please refer to Paragraph D.4. of the Businessowners Liability Coverage Form.

Liability and Medical Expenses	\$300,000
Medical Expense (per person)	\$5,000
Damage To Premises Rented To You (Any One Premises)	\$100,000
Professional Liability Each Occurrence	\$300,000
Professional Liability Aggregate Limit	Included

LOCATIONS OF ALL PREMISES YOU OWN, RENT OR OCCUPY

<i>Location</i>	<i>Address</i>	<i>Territory</i>
-----------------	----------------	------------------

PREMIUM COMPUTATION

<i>Loc</i>	<i>Classification</i>	<i>Premium Basis</i>	<i>Rate</i>	<i>Advance Premium</i>
			<i>Pr/Co All Other</i>	<i>PR/Co All Other</i>

ADVANCE PREMIUM FOR THIS COVERAGE PART:
(This Premium may be subject to adjustment.)

MP - minimum premium

Coverage Form(s)/Part(s) and Endorsement(s) made a part of this policy at **See Endorsement EOD (01/95)**

THESE DECLARATIONS ARE PART OF THE POLICY DECLARATIONS CONTAINING THE NAME OF THE INSURED AND THE

**UNITED STATES LIABILITY INSURANCE GROUP
Wayne, PA**

MINIMUM EARNED PREMIUM ENDORSEMENT

In the event of cancellation of this policy by the insured, a Minimum Earned Premium of 25% of the total premium shall become earned.

Failure to make timely payments will be considered a request by you for us to cancel your policy. In the event of such cancellation for non-payment of premium, the greater of the Pro-rata or Short-Rate premium (whichever is applicable) and the Minimum Earned Premium shall be retained as consideration for the coverage provided.

In the event of cancellation by us, the Earned Premium shall be computed on a Pro-Rata basis, not subject to the Minimum Earned Premium.

All other terms and conditions remain unchanged.

Original

United States Liability Insurance Group

**BUSINESSOWNERS
POLICY**

190 South Warner Road
Wayne, PA 19087

NEW
Renewal of Number

POLICY DECLARATIONS

- United States Liability Insurance Company
- Mount Vernon Fire Insurance Company
- U.S. Underwriters Insurance Company

No

NAMED INSURED AND ADDRESS

POLICY PERIOD: (MO. DAY YR.) From: ; To:

12:01 A.M. STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE

BUSINESS DESCRIPTION:

FORM OF BUSINESS:

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

DESCRIPTION OF PREMISES

Prem	Bldg	Address, Construction, Occupancy and Other Information	Territory	Class Code
1	1	Cause of Loss: Special Construction: Prot. Class: Sp. Deductible Bldg Story: Sq. Footage: Description:		

COVERAGES PROVIDED - INSURANCE AT THE DESCRIBED PREMISES APPLIES ONLY FOR COVERAGE FOR WHICH A LIMIT OF INSURANCE IS SHOWN

Prem	Bldg	Coverage	Limit of Insurance	Deductible	Valuation

Valuation: ACV - Actual Cash Value; RC - Replacement Cost; FBV - Functional Building Value

Mortgagee: None

FORMS AND ENDORSEMENTS made part of this policy at time of issue: **See Endorsement EOD (1/95)**

Policy Premium
Total Charge

Agent:

Broker:

Issued:

By: Thomas P. McKinney
Authorized Representative

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – PERSONAL AND ADVERTISING INJURY

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The following is added to **Section II – Liability** and supersedes any provision to the contrary:

The insurance provided under Paragraph **A. Coverages** does not apply to "personal and advertising injury".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MEDICAL EXPENSES – EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE*

Description And Location Of Premises Or Classification:
*Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.

With respect to any premises or classification shown in the Schedule, **Section II – Liability** is modified as follows:

A. Paragraph **A.2. Medical Expenses** does not apply and none of the references to Paragraph **A.2.** in **Section II – Liability** apply.

B. The following is added to Paragraph **A.1.f.(1)(h) Coverage Extension – Supplementary Payments:**

(8) Expenses incurred by the insured for first aid administered to others at the time of an accident for "bodily injury" to which this insurance applies.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESS LIABILITY COVERAGE – TENANTS LIABILITY

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE*

<p>Premises:</p> <p>Tenants Liability Limit Of Insurance (Per Occurrence): *</p>
<p>* Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.</p>

With respect to the coverage provided under this endorsement, **Section II – Liability** is amended as follows:

A. The final paragraph of **B.1. Exclusions – Applicable To Business Liability Coverage** is deleted and replaced by the following:

With respect to the premises shown in the Schedule of this endorsement which are rented to you or temporarily occupied by you with the permission of the owner, Exclusions **c., d., e., g., h., k., l., m., n.** and **o.** do not apply to "property damage".

B. Paragraph **D.2. Liability And Medical Expenses Limits Of Insurance** is deleted and replaced by the following with respect to the premises shown in the Schedule of this endorsement:

The most we will pay under this endorsement for the sum of all damages because of all "property damage" to premises while rented to you or temporarily occupied by you with the permission of the owner is the Tenants Liability Limit of Insurance shown in the Schedule.

C. With respect to the premises shown in the Schedule of this endorsement, Paragraph **D.3.** is deleted.

D. With respect to the premises shown in the Schedule of this endorsement, Paragraph **D.4.b.** is replaced by the following:

4. Aggregate Limits

The most we will pay for:

b. All:

(1) "Bodily injury" or "property damage" except damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard";

(2) Plus medical expenses;

(3) Plus all "personal and advertising injury" caused by offenses committed;

is twice the Liability and Medical Expenses Limit.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – CONTROLLING INTEREST

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE*

<p>Name Of Person Or Organization:</p>
<p>* Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.</p>

The following is added to Paragraph **C. Who Is An Insured** in **Section II – Liability**:

- 4. The person or organization shown in the Schedule or in the Declarations, but only for their liability arising out of:
 - a. Their financial control of you; or

- b. Premises they own, maintain or control while you lease or occupy those premises.

This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

**SECTION IV – ERRORS AND OMISSIONS LIABILITY INSURANCE COVERAGE
FORM**

Item I: Limits of Liability:	\$25,000	Each “Claim”
	\$25,000	Annual Aggregate
Item II: Deductible:	\$1,000	Each “Claim”
Item III: Retroactive Date:		

THIS IS A “CLAIMS” MADE COVERAGE FORM AND UNLESS OTHERWISE PROVIDED HEREIN, THE COVERAGE OF THIS FORM IS LIMITED TO LIABILITY FOR “CLAIMS” WHICH ARISE FROM THE RENDERING OR FAILURE TO RENDER “PROFESSIONAL SERVICES” SUBSEQUENT TO THE RETROACTIVE DATE STATED IN THE DECLARATIONS AND PRIOR TO THE CANCELLATION, TERMINATION OR EXPIRATION OF THE “POLICY PERIOD” AND WHICH ARE FIRST MADE AGAINST THE “INSURED” AND REPORTED TO THE “COMPANY” IN WRITING DURING THE “POLICY PERIOD” OR NO LATER THAN SIXTY (60) DAYS AFTER THE END OF THE “POLICY PERIOD”.

THE AMOUNTS WE WILL PAY FOR “LOSS”, “CLAIM” AND “CLAIM EXPENSES” ARE LIMITED AS DESCRIBED IN SECTION VI. LIMITS OF LIABILITY AND ITEM I ABOVE. OUR RIGHT AND DUTY TO DEFEND ENDS WHEN WE HAVE USED UP THE APPLICABLE LIMIT OF INSURANCE IN THE PAYMENT OF A “LOSS”, “CLAIM” OR “CLAIM EXPENSES”.

THE LIMITS OF LIABILITY SET FORTH IN ITEM I, ABOVE SHALL BE REDUCED BY “CLAIM EXPENSES” WE PAY IN CONNECTION WITH A “LOSS” OR “CLAIM”. IN NO EVENT SHALL WE BE LIABLE FOR “CLAIM EXPENSES” IN EXCESS OF THE ABOVE LIMITS OF LIABILITY.

In consideration of the payment of the premium and reliance upon all statements made and information furnished to the “Company”, including the statements made in the “Application” (and all attachments and materials submitted therewith) and subject to all the provisions of this Coverage Form, the “Company” agrees as follows:

I. INSURING AGREEMENT

- A. The “Company” will pay on behalf of an “Insured” any “Loss” in excess of the deductible not exceeding the Limit of Liability as set forth in this Coverage Form that an “Insured” shall become legally obligated to pay because of “Claims” first made against an “Insured”

during the “Policy Period” for “Wrongful Acts” of any “Insured”.

- B. The “Company” has the right and duty to defend any “Claim” to which this Coverage Form applies, even if the allegations of the “Claim” are groundless, false or fraudulent. The “Company” may investigate any “Claim” and settle any “Claim” with the “Named Insured’s” consent as the “Company” deems expedient, but the “Company” is not obligated to pay any damages or defend any “Claim” after the Limit of Liability as set forth in this Coverage Form has been exhausted by payment of “Loss” and/or “Claim Expenses”.

II. FULL PRIOR ACTS COVERAGE PROVISION

Coverage shall apply to any "Claim" first made against an "Insured" arising out of a "Wrongful Act" committed prior to the expiration date of this Coverage Form or the effective date of cancellation or non-renewal of the policy of which this Coverage Form is a part, provided that the "Claim" is first made during the "Policy Period" and written notice of said "Claim" is reported to the "Company" no later than sixty (60) days after the end of the "Policy Period".

However, coverage shall not apply to any "Claim" based upon or arising out of any "Wrongful Act" or circumstance likely to give rise to a "Claim" of which any "Insured" had knowledge, or otherwise had a reasonable basis to anticipate might result in a "Claim", prior to the earlier of:

- A. the inception date of this Coverage Form; or
- B. the inception date of the first Coverage Form of this type which the "Company" has issued to the "Named Insured", provided the "Company" has written continuous coverage of this type for the "Named Insured" from such date to the inception date of this Coverage Form.

III. DEFINITIONS

- A. "Adjuster Services" means any of the following services performed, or which should have been performed by or for an "Independent Claim Adjuster" in connection with an insurance claim:
 - (1) investigating claims;
 - (2) evaluating claims;
 - (3) negotiating settlement of claims including, but not limited to, property values, damages and depreciation.
- B. "Application" means:
 - (1) the "Application", including any material submitted therewith for this Coverage Form; and
 - (2) the "Application(s)", including any material submitted therewith, for all previous Coverage Forms issued by the "Company" providing substantially the same continuous

coverage until the inception date of this Coverage Form.

- C. "Claim(s)" means:
 - (1) a demand for money as compensation for a "Wrongful Act"; or
 - (2) any judicial or administrative proceeding initiated against any "Insured" seeking to hold such "Insured" responsible for a "Wrongful Act", including any appeal therefrom.
- D. "Claim Expenses" means reasonable and necessary legal fees and expenses incurred by the "Company" to defend an "Insured" and all other fees, costs, supersedes or appeal bonds or similar undertakings (but without any obligation on the part of the "Company" to apply for or furnish such bonds) and expenses incurred by the "Company" resulting from the investigation, adjustment, defense and appeal of a "Claim", but does not mean salaries, wages, overhead or benefits expenses of an "Insured".
- E. "Company" means the insurer identified in the Declarations.
- F. "Independent Claim Adjuster" means an insurance claim adjuster who represents an "Insurer" only and not an Insured.
- G. "Insured" means:
 - (1) the individual, partnership, corporation, limited liability company or other entity specified as the "Named Insured" in Item I. of the Declarations and shall include any partner, director, member, officer or employee thereof while acting within the scope of their duties as such.
 - (2) any former or retired partner, director, member, officer or employee of the "Named Insured", but only for those "Professional Services" rendered on behalf of the "Named Insured" prior to the date of separation or retirement from such entity(ies).
 - (3) in the event of death, incompetency, insolvency or bankruptcy of any "Insured", such "Insured's" legal

representative while acting within the scope of his or her duties as such.

- H. "Insurer" means an underwriter, insurance company, self-insurance program, reinsurer or other syndicate, association or pool formed for the purpose of providing insurance or reinsurance.
- I. "Loss" means damages and settlements but does not include punitive or exemplary damages, fines, penalties, taxes, the multiplied portion of any multiple damage award, and other monetary sanctions that are uninsurable by operation of law nor the return of or dispute over, in whole or in part, any fees charged or collected by any "Insured".
- J. "Named Insured" means the "Named Insured" identified in the Declarations.
- K. "Policy Period" means the period from the inception date of this Coverage Form to the expiration date of this Coverage Form as set forth in the Declarations, or its earlier cancellation or termination date, if any.
- L. "Professional Services" means services rendered to others for a fee solely in the conduct of an "Insured's" profession as stated in the Declarations.
- M. "Wrongful Act" means any actual or alleged error or omission or negligent act of an "Insured" or any person for whom an "Insured" is legally liable in the rendering of "Professional Services".

IV. EXCLUSIONS

The "Company" shall not be liable to make payment for "Loss" or "Claim Expenses" (except where otherwise provided) in connection with any "Claim" made against any "Insured" arising out of, directly or indirectly resulting from or in consequence of, or in anyway involving:

- A. criminal, fraudulent, dishonest or discriminatory act or omission or any act, error or omission committed with

knowledge of its wrongful nature or with intent to cause damage, or the gaining by any "Insured" of any personal profit, gain or advantage to which the "Insured" was not legally entitled;

- B. "Claim" by or on behalf of any person or entity within the definition of "Insured" against any other person or entity included within the definition of "Insured";
- C. invasion of privacy, wrongful entry, eviction, false arrest, false imprisonment, libel, slander or defamation, malicious prosecution.
- D. non-pecuniary relief;
- E. failure to effect or maintain any insurance or bond;
- F. acts of any "Insured" in a fiduciary capacity as respects any employee benefit or pension plan including the Employee Retirement Income Security Act of 1974 (ERISA) as hereafter amended or similar state laws or common law;
- G. violation of any securities, anti-trust, restraint of trade, unfair trade practices, consumer protection, or other similar law;
- H. express contracts, warranties or guarantees by any "Insured", or any "Insured's" assumption of liability under contract unless the "Insured" would have been legally liable in the absence of such contract;
- I. Any pending or prior litigation, administrative or regulatory proceeding, "Claim", demand, arbitration, decree, or judgment of which any "Insured" had written notice before the effective date of this Policy; or any fact, circumstance, event, situation, or "Wrongful Act" which before the effective date of this Policy was subject to any notice to any "Insured" under any other similar policy of insurance issued to any "Insured"; or any future "Claims" or litigation based upon the pending or prior litigation

derived from the same or essentially the same facts, actual or alleged;

Provided that, if this Policy is a renewal of a Policy or Policies previously issued by the "Company" and if the coverage provided by the "Company" was continuous from the effective date of the first such other Policy to the effective date of this Policy, the effective date of this Policy will mean the effective date of the first Policy under which the "Company" first provided continuous coverage to an "Insured".

- J. refusal to employ, termination of employment, or employment related coercion, demotion, evaluation, reassignment, discipline, workplace conditions, defamation, harassment, humiliation, or discrimination of employment, or other employment-related practices, policies, acts or omissions;
- K. performance of or failure to perform "Professional Services" for:
 - (1) any "Insured", or
 - (2) any entity owned or controlled by any person or entity included within the definition of "Insured", or
 - (3) any person or entity which owns or controls any entity included within the definition of "Insured", or
 - (4) any entity which is under common ownership or control with any entity included within the definition of "Insured", or
 - (5) any entity of which any person included within the definition of "Insured" is a director, officer, partner or more than a three percent (3%) shareholder;
- L. Rendering or failing to render:
 - (1) investment or insurance counseling or advice; purchasing or selling or failing to purchase or sell an investment or insurance of any kind; or any "Insured's" advice, promises or guarantees as to the future value of any investments or interest rate or rate of return or insurance coverage;
 - (2) services as an architect, engineer or surveyor, including but not limited to

the preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, blueprints, plans or drawings and specifications, or supervisory, inspection architectural or engineering activities.

- (3) "Professional Services" by any accountant, insurance agent, insurance broker, lawyer, medical professional, real estate agent, real estate broker, title insurance agent, abstractor or escrow agent;
- (4) health care services including but not limited to medical, surgical, chiropractic, pharmacological, psychiatric, psychological, nursing, dental and rehabilitation treatments.
- M. infringement of any copyright, patent, trademark, trade name or trade dress; or wrongful appropriation, use or disclosure of trade secrets or confidential or proprietary information;
- N. product provided by any "Insured" which prior to its installation, testing and final acceptance, fails to perform the function or serve the purpose intended;
- O. failure of any "Insured's" products or services to prevent unauthorized access to or use of any electronic system or program unless such unauthorized access is the result of a malfunction of a product or service provided by the "Insured" which is specifically intended to prevent such unauthorized access or use;
- P. failing to honor cost guarantees or estimate of probable costs or exceeding cost estimates in connection with the rendering of "Professional Services";
- Q. fee dispute between any "Insured" and any past or current client of any "Insured"; or
- R. "Loss", cost or expense in connection with any "Claim" made against any "Insured";
 - (1) for the devaluation of property or for the taking, use or acquisition or

- interference with the rights of others in property or air space, or
- (2) for fines and penalties arising out of any governmental direction or request, or any private party or citizen action, that an "Insured" test for, monitor, clean up, remove, contain, treat, detoxify or neutralize "pollutants", or
 - (3) to any litigation or administrative procedure in which an "Insured" may be involved as a party; arising directly, indirectly, or in concurrence or in any sequence out of actual, alleged or threatened existence, discharge, dispersal, release or escape of "pollutants", whether or not such actual, alleged or threatened existence, discharge, dispersal, release or escape is sudden, accidental or gradual in nature, or
 - (4) any "Loss", cost or expense arising out of or related to any actual, alleged or threatened existence, discharge, dispersal, release or escape of any form of "pollutant" whether or not intentionally caused, or whether or not such "Loss", cost or expense is expected or intended from the standpoint of any "Insured".

This exclusion applies even if such "pollutant" has a function in, or is used by any "Insured" in the "Insured's" business, operations, premises, site or location.

"Pollutant" means noise or any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapor, soot, fumes, acids, alkalis, chemicals, toxic materials, silica asbestos, lead, electromagnetic radiation, "volatile organic compound" and gases therefrom, radon, combustion byproducts and "waste".

"Volatile organic compound" means any compound which discharges organic gases as it decomposes or evaporates, examples of which include but are not limited to formaldehyde, pesticides, adhesives, construction materials made with organic chemicals, solvents, paint, varnish and cleaning products.

"Waste" means any property intended to be disposed, recycled, reused or reclaimed by the owner or user thereof;

- S. "Loss" and "Claim Expenses" in connection with any "Claim" made against any "Insured";
 - (1) for devaluation of property or for the taking, use or acquisition or interference with the rights of others in property or air space; or
 - (2) for fines and penalties, arising out of any governmental direction or request, or any private party or citizen action, that any "Insured" test for, monitor, clean up, remove, contain, treat, detoxify or neutralize "organic pathogens"; or
 - (3) any litigation or administrative procedure in which any "Insured" may be involved as a party arising directly, indirectly, or in concurrence or in any sequence out of actual, alleged or threatened existence, discharge, dispersal, release or escape of "organic pathogens", whether or not such actual, alleged or threatened existence, discharge, dispersal, release or escape is sudden, accidental or gradual in nature; or
 - (4) any "Loss", cost or expense arising out of or related to any actual, alleged or threatened existence, discharge, dispersal, release or escape of any form of "organic pathogen" whether or not intentionally caused, or whether or not such "Loss", cost or expense is expected or intended from the standpoint of the "Insured".

"Organic pathogen" means any organic irritant or contaminant, including but not limited to mold, fungus, bacteria or virus, including but not limited to their byproduct such as mycotoxin, mildew, or biogenic aerosol;

- T. rendering or failing to render "Payroll Processing Services" by any "Insured" directly or by any independent contractor whether or not associated exclusively with the "Insured" and acting solely on the "Insured's" behalf, or by

any other entity whether or not acting on behalf of any "Insured". For purposes of this exclusion, "Payroll Processing Services" means printing and issuing payroll checks, calculation, transmission or furnishing of data for use in administration of payroll, calculation or administration of payroll adjustments, including but not limited to tax withholding, benefit deductions, wage garnishments, Family and Medical Leave Act (FMLA) adjustments, direct deposits, tax transmittals to the Internal Revenue Service and any other services relating to the administration of payroll.

- U. commingling of funds;
- V. bodily injury, sickness, humiliation, mental anguish, emotional distress, assault, battery, disease, or death of any person, loss of consortium of any person, or damage to or destruction of any tangible property, including the loss of use thereof.

V. DEFENSE AND SETTLEMENT

- A. The "Company" has the right to investigate, adjust, defend, appeal and, with the "Named Insured's" consent negotiate the settlement of any "Claim", as it deems expedient, whether within or above the Deductible. If the "Named Insured" refuses to consent to any settlement recommended by the "Company", the liability of the "Company" for "Loss" or "Claim Expenses" for such "Claim" will be limited to the amount in excess of the Deductible which the "Company" would have contributed to the settlement had the "Named Insured" consented to settlement including "Claim Expenses" covered by the Coverage Form incurred up to the date of such refusal to settle, subject to the Limit of Liability set forth in this Coverage Form.
- B. The "Insureds" agree to cooperate with the "Company", on all "Claims" and provide such assistance and information as the "Company" may reasonably request. Upon the "Company's" request, the "Insureds" shall submit to examination and interrogation by a

representative of the "Company", under oath if required, and shall attend hearings, depositions, trials and shall assist in the conduct of suits, including but not limited to effecting settlement, securing and giving evidence, obtaining the attendance of witnesses, giving written statements to the "Company's" representatives and meeting with such representatives for the purpose of investigation and/or defense, all of the above without charge to the "Company". The "Insureds" further agree not to take any action, which may increase any "Insured's" exposure for "Claim Expenses" or "Loss".

The "Insureds" shall execute all papers required and shall do everything that may be necessary to secure and preserve any rights of indemnity, contribution or apportionment which the "Insureds" may have, including the execution of such documents as are necessary to enable the "Company" to bring suit in their name, and shall provide all other assistance and cooperation which the "Company" may reasonably require.

The "Insureds" shall not demand or agree to arbitration of any "Claim" without the written consent of the "Company". The "Insureds" shall not, except at personal cost, make any payment, admit any liability, settle any "Claims", assume any obligation, or incur any expense without the "Company's" written consent.

VI. LIMITS OF LIABILITY AND DEDUCTIBLE

Regardless of the number of "Insureds" under this Coverage Form, "Claims" made or suits brought on account of "Wrongful Acts" or otherwise, the "Company's" liability is limited as follows:

- A. The Limit of Liability specified in this Coverage Form as the Annual Aggregate shall be the maximum liability for "Loss" and "Claim Expenses" combined from all "Claims" to which this Coverage Form applies.

- B. The Limit of Liability specified in this Coverage Form as the Limit for Each Claim shall be the maximum liability for "Loss" and "Claim Expenses" combined for each "Claim" to which this Coverage Form applies.
 - C. "Claim Expenses" shall be part of and not in addition to the Limit of Liability as shown in this Coverage Form.
 - D. The Deductible amount stated in this Coverage Form shall apply to "Loss" and "Claim Expenses" and shall apply to each and every "Claim". The "Company" shall only be liable to pay, subject to the Limits of Liability provisions stated above, for "Loss" and "Claims Expenses" in excess of such Deductible, and such Deductible shall not be insured under this Coverage Form.
 - E. "Claims" based upon or arising out of the same "Wrongful Act", interrelated "Wrongful Acts", or a series of similar or related "Wrongful Acts" shall be considered a single "Claim" subject to a single Each Claim Limit and shall be considered first made during the "Policy Period" in which the earliest "Claim" arising out of such "Wrongful Act(s)" was first made and all "Loss" and "Claim Expenses" from such "Claims" shall be subject to the one Limit of Liability that applies to such earliest "Claim".
 - F. The Limits of Liability of this Coverage Form apply separately to each consecutive annual period and to any remaining period of less than twelve (12) months, starting with the beginning of the "Policy Period" shown in the Declarations.
- A. An "Insured" shall, as a condition precedent to the obligations of the "Company" under this Coverage Form, give written notice to the "Company" as soon as practicable during the "Policy Period", but no later than sixty (60) days after the expiration of this Coverage Form of any "Claim" made against the "Insured".
 - B. If written notice of a "Claim" has been given to the "Company" pursuant to Paragraph A. above, then any "Claim" which is subsequently made against an "Insured" and reported to the "Company" alleging, arising out of, based upon or attributable to the facts alleged in the "Claim" of which such notice has been given, or alleging any "Wrongful Act" which is the same as or related to any "Wrongful Act" alleged in the "Claim" of which such notice has been given, shall be considered made at the time such notice was given.
 - C. If during the "Policy Period" an "Insured" shall become aware of any circumstances which may reasonably be expected to give rise to a "Claim" being made against an "Insured", the "Insured" shall give written notice to the "Company" of the circumstances and the reasons for anticipating such a "Claim" with full particulars as to dates and persons involved. Any "Claim" which is subsequently made against an "Insured" and reported to the "Company" alleging, arising out of, based upon or attributable to such circumstances or alleging any "Wrongful Act" which is the same as or related to any "Wrongful Act" alleged or contained in such circumstances, shall be considered made and reported at the time such notice of such circumstances was given.

VII. NOTICE / "CLAIM" REPORTING PROVISIONS

Notice of a "Claim" or a circumstance which could be expected to give rise to a "Claim" hereunder shall be given in writing to the "Company". If mailed, the date of mailing of such notice shall constitute the date that such notice was given and proof of mailing shall be sufficient proof of notice.

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

INTEGRATION ENDORSEMENT

The header – **SECTION III – COMMON POLICY CONDITIONS (APPLICABLE TO SECTION I – PROPERTY AND SECTION II – LIABILITY)** is deleted in its entirety and replaced with the following:

SECTION III – COMMON POLICY CONDITIONS (APPLICABLE TO SECTION I – PROPERTY, SECTION II – LIABILITY AND SECTION IV – ERRORS AND OMISSIONS LIABILITY INSURANCE COVERAGE FORM)

Section I – Property; Section II – Liability; Section III – COMMON POLICY CONDITIONS and Section IV - ERRORS AND OMISSIONS LIABILITY INSURANCE COVERAGE FORM, together with the policy Declarations and endorsements, if any, complete this policy.

Unless the context requires a different meaning, the terms “Policy” or “policy” refer to the applicable Coverage Form. The policy Declarations designates the issuing “Company”. The words “we”, “us”, “our” and “Company” all refer to the issuing “Company”.

Coverage shall be determined in accordance with the terms, conditions, provisions and endorsements of the Coverage Forms applicable to the “Claim”, “Loss”, “bodily injury”, “property damage” and “personal and advertising injury”. Except as otherwise provided, the terms, conditions and provisions of a Coverage Form and its applicable endorsements, apply to that Coverage Form and no other.

If coverage is provided for a “Claim”, “Loss”, “bodily injury”, “property damage” and “personal and advertising injury” under one Coverage Form, there is no coverage for the same “Claim”, “Loss”, “bodily injury”, “property damage” and “personal and advertising injury” under another Coverage Form.

Cancellation or non-renewal shall be in accordance with the provisions of the Coverage Form most favorable to the “Named Insured”. Cancellation or non-renewal of a Coverage Form shall operate to cancel or non-renew all Coverage Forms that are a part of this policy.

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

All other terms and conditions of this policy remain unchanged. This endorsement is a part of your policy and takes effect on the effective date of your policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

EXCLUSION - FINANCIAL SERVICES/FIDUCIARY OR REPRESENTATIVE

The following is added to **SECTION II – LIABILITY; B. Exclusions:**

1. This insurance does not apply to “bodily injury”, “property damage” or “personal and advertising injury” arising out of the ownership, maintenance or use, including all related operations, of property for which you are acting in a fiduciary or representative capacity.
2. This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" resulting from the rendering of or the failure to render financial services by any insured to others. For the purpose of this exclusion, financial services include but are not limited to:
 - A. Planning, administering or advising on:
 - i. Any:
 - (1) Investment;
 - (2) Pension;
 - (3) Annuity;
 - (4) Savings;
 - (5) Checking; or
 - (6) Individual retirement plan, fund or account;
 - ii. The issuance or withdrawal of any bond, debenture, stock or other securities;
 - iii. The trading of securities, commodities or currencies; or
 - iv. Any acquisitions or mergers;
 - B. Acting as a dividend disbursing agent, exchange agent, redemption or subscription agent, warrant or scrip agent, fiscal or paying agent, tax withholding agent, escrow agent, clearing agent, or electronic funds transfer agent;
 - C. Lending, or arranging for the lending of, money, including credit card, debit card, leasing or mortgage operations or activities or interbank transfers;
 - D. Repossessing of real or personal property from a borrower or acting as an assignee for the benefit of creditors;
 - E. Checking or reporting of credit;
 - F. Maintaining of financial accounts or records;
 - G. Tax planning, tax advising or the preparation of tax returns; or
 - H. Selling or issuing travelers checks, letters of credit, certified checks, bank checks or money orders.

All other terms and conditions of this policy remain unchanged. This endorsement is a part of your policy and takes effect on the effective date of your policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

CLAIM ADJUSTER EXCLUSION

SECTION IV – ERRORS AND OMISSIONS LIABILITY INSURANCE COVERAGE FORM, IV. EXCLUSIONS, is amended to include the following exclusions when the “Insured” is a claim adjuster:

1. any intentional refusal to pay or failure to pay or intentional delay in paying all or part of benefits due/or lack of good faith or fair dealing in the handling of any claim or obligation arising out of or under any insurance contract, benefit plan or self insurance program; however, if such allegations are subsequently disproved by a final adjudication favorable to an “insured”, the “insured” shall be reimbursed for all reasonable costs, charges and expenses related to the defense of such allegations to the extent covered under the definition of “Claim Expenses”.
2. any “insured’s” solicitation negotiation, design or implementation of any structured settlement annuity or similar financial arrangement in connection with the settlement of an insurance claim;
3. arising out of or related to any of the following:
 - i. evaluation of any medical treatments;
 - ii. determination of the necessity of any medical treatment options;
 - iii. review, consultation or recommendation of any treatment options;
 - iv. review, consultation or recommendation of any care settings.
4. arising out the failure of any insurance company, benefit plan or self-insurance program to pay claims due to insolvency, liquidation or receivership.

All other terms and conditions of this policy remain unchanged. This endorsement is a part of your policy and takes effect on the effective date of your policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

TRAVEL AGENTS EXCLUSION

SECTION IV – ERRORS AND OMISSIONS LIABILITY INSURANCE COVERAGE FORM, IV. EXCLUSIONS, is amended by the addition of the following:

When the "Insured" is a travel agent:

1. involving the selling or recommending the purchase of, or failure to sell or recommend the purchase of insurance, except as provided herein;
2. involving advertiser liability; broadcaster liability; false or misleading advertising; piracy or unfair competition; idea misappropriation under implied contract; any invasion of rights or privacy in advertisement, publicity broadcast, or telecast; or infringement of copyright, title or slogan;
3. involving the inability of any "Insured", self-insurer, trust, insurance plan or other vehicle or instrumentality to pay claims or benefits due to insolvency, bankruptcy or receivership.

This exclusion does not apply to the selling or recommending the purchase of or failure to sell or recommend the purchase of the following types of trip or travel insurance for the benefit of persons for whom an "Insured" has made travel arrangements:

1. Accidental Death & Dismemberment Coverage
2. Hospital Medical Benefits Coverage
3. Baggage and Personal Effects Coverage
4. Baggage Delay Coverage
5. Trip Cancellation Coverage
6. Trip Interruption Coverage
7. Repatriation Coverage

All other terms and conditions of this policy remain unchanged. This endorsement is a part of your policy and takes effect on the effective date of your policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

REPRINTING COSTS EXCLUSION

**SECTION IV – ERRORS AND OMISSIONS LIABILITY INSURANCE
COVERAGE FORM, Item IV. EXCLUSIONS**, is amended by the addition of the following:

1. the costs of recalling, recovering, shipping, correcting, reprocessing, restoring, replacing, reproducing or reprinting erroneous, damaged or lost data or material.

All other terms and conditions of this policy remain unchanged. This endorsement is a part of your policy and takes effect on the effective date of your policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

PROFESSIONAL SERVICES EXCLUSION ENDORSEMENT

**SECTION IV – ERRORS AND OMISSIONS LIABILITY INSURANCE
COVERAGE FORM, IV EXCLUSIONS**, is amended by the addition of the following:

1. the rendering or failure to render services as a(n):

All other terms and conditions of this policy remain unchanged. This endorsement is a part of your policy and takes effect on the effective date of your policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

FRANCHISE EXCLUSION

**SECTION IV – ERRORS AND OMISSIONS LIABILITY INSURANCE
COVERAGE FORM, IV EXCLUSIONS**, is amended by the addition of the following:

1. any “Claim” in the form of a class action law suit, whether certified or not, asserted or filed against any “Insured”:
 - a. brought by any “Franchisor” or any other franchisee thereof against any “Insured”; or
 - b. brought against any “Insured” based in whole or in part on the acts or omissions of a “Franchisor” or any other franchisee(s) thereof.

For purposes of this endorsement:

“Franchisor” means the person or entity under whose franchise agreement the “Insured” provides “Professional Services”.

All other terms and conditions of this policy remain unchanged. This endorsement is a part of your policy and takes effect on the effective date of your policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

RETROACTIVE DATE ENDORSEMENT

**SECTION IV – ERRORS AND OMISSIONS LIABILITY INSURANCE
COVERAGE FORM, II. FULL PRIOR ACTS COVERAGE PROVISION**, is deleted in its entirety and replaced with the following:

In consideration of the premium paid, it is agreed that the “Company” shall not be liable to make any payment for “Loss” or “Claim Expenses” in connection with any “Claim” made against any “Insured” based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving a “Wrongful Act” committed, or alleged to have been committed prior to [insert retro date].

Coverage shall also not apply to any “Claim” based upon or arising out of directly or indirectly, resulting from, in consequence of, or in any way involving any “Wrongful Act” or circumstances likely to give rise to a “Claim” of which any “Insured” had knowledge, or otherwise had a basis to reasonably anticipate might result in a “Claim”, prior to the inception of this policy (including, but not limited to, any prior “Claim” or possible “Claim” or circumstance referenced in the “Application”).

All other terms and conditions of this policy remain unchanged. This endorsement is a part of your policy and takes effect on the effective date of your policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

INSURANCE RISK MANAGERS ENDORSEMENT

It is hereby agreed that **SECTION IV - ERRORS AND OMISSIONS COVERAGE FORM, IV. EXCLUSIONS, Exclusion L.**, is deleted in its entirety and replaced with the following:

L. Rendering or failing to render:

- (1) investment counseling or advice; purchasing or selling or failing to purchase or sell an investment or insurance of any kind; or any "Insured's" advice, promises or guarantees as to the future value of any investments or interest rate or rate of return or insurance coverage;
- (2) services as an architect, engineer or surveyor, including but not limited to the preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders, blueprints, plans or drawings and specifications, or supervisory, inspection architectural or engineering activities.
- (3) "Professional Services" as an accountant, insurance agent, insurance broker, lawyer, medical professional, real estate agent, real estate broker, title insurance agent, abstractor or escrow agent;
- (4) health care services including but not limited to medical, surgical, chiropractic, pharmacological, psychiatric, psychological, nursing, dental and rehabilitation treatments.

All other terms and conditions of this policy remain unchanged. This endorsement is a part of your policy and takes effect on the effective date of your policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

PRODUCTS – COMPLETED OPERATIONS HAZARD EXCLUSION

SECTION II – LIABILITY; B. Exclusions is amended by adding the following exclusion:

This insurance does not apply to “bodily injury” or “property damage” included with the “products – completed operations hazard”.

All other terms and conditions of this policy remain unchanged. This endorsement is a part of your policy and takes effect on the effective date of your policy unless another effective date is shown.

Original

United States Liability Insurance Group

**BUSINESSOWNERS
POLICY**

190 South Warner Road
Wayne, PA 19087

NEW
Renewal of Number

POLICY DECLARATIONS

- United States Liability Insurance Company
- Mount Vernon Fire Insurance Company
- U.S. Underwriters Insurance Company

No

NAMED INSURED AND ADDRESS

POLICY PERIOD: (MO. DAY YR.) From: ; To:

12:01 A.M. STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE

BUSINESS DESCRIPTION:

FORM OF BUSINESS:

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

DESCRIPTION OF PREMISES

Prem	Bldg	Address, Construction, Occupancy and Other Information	Territory	Class Code
1	1	Cause of Loss: Special Construction: Prot. Class: Sp. Deductible Bldg Story: Sq. Footage: Description:		

COVERAGES PROVIDED - INSURANCE AT THE DESCRIBED PREMISES APPLIES ONLY FOR COVERAGE FOR WHICH A LIMIT OF INSURANCE IS SHOWN

Prem	Bldg	Coverage	Limit of Insurance	Deductible	Valuation

Valuation: ACV - Actual Cash Value; RC - Replacement Cost; FBV - Functional Building Value

Mortgagee: None
FORMS AND ENDORSEMENTS made part of this policy at time of issue: **See Endorsement EOD (1/95)**

Policy Premium
Total Charge

Agent:

Broker:

Issued:

By: Thomas P. McKinney
Authorized Representative

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

EXCLUSION OF CERTIFIED ACTS OF TERRORISM

- A.** The following provisions are added to the Businessowners Policy and apply to Property and Liability Coverages:

The following definition is added with respect to the provisions of this endorsement:

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Program Reauthorization Act of 2007 ("the Act"). The criteria contained in the Act for a "certified act of terrorism" include the following:

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

- B.** The following provisions are added to Businessowners Standard Property Coverage Form **BP 00 01**, Businessowners Special Property Coverage Form **BP 00 02** or **Section I – Property** of Businessowners Coverage Form **BP 00 03**:

1. The following exclusion is added:

**CERTIFIED ACT OF TERRORISM
EXCLUSION**

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

If aggregate insured losses attributable to terrorist acts certified under the Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

2. Application Of Other Exclusions

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

- C.** The following provision is added to the Businessowners Liability Coverage Form **BP 00 06** and **Section II – Liability** of the Businessowners Coverage Form **BP 00 03**:

1. The following exclusion is added:

This insurance does not apply to:

TERRORISM

"Any injury or damage" arising, directly or indirectly, out of a "certified act of terrorism".

2. The following definition is added:

For the purposes of this endorsement, "any injury or damage" means any injury or damage covered under any Coverage Form to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage" or "personal and advertising injury" as may be defined in any applicable Coverage Form.

UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

ARKANSAS CHANGES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

A. Section I – 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 **E.4. Legal Action Against Us, b.** is amended to say:

b. The action is brought within five years after the date on which the direct physical loss or damage occurred

3. Paragraph **F.2.g.** of the **Mortgageholders** Property General Conditions is replaced by the following:

g. If we elect not to renew this policy, we will give written notice to the mortgageholder:

(1) As soon as practicable if nonrenewal is due to the Named Insured's failure to pay any premium required for renewal; or

(2) At least 60 days before the expiration date of this policy if we nonrenew for any other reason.

B. Section III – 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.

b. If we cancel for:

- (1) Nonpayment of premium, we will mail or deliver written notice of cancellation, stating the reason for cancellation, to the first Named Insured and any lienholder or loss payee named in the policy at least 10 days before the effective date of cancellation.

- (2) Any other reason, we will mail or deliver notice of cancellation to the first Named Insured and any lienholder or loss payee named in the policy at least 20 days before the effective date of cancellation.

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 Named Insured shown in the Declarations, and to any lienholder or loss payee named in the policy, 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 the Named Insured's failure to pay any premium required for renewal.

The provisions of this Paragraph 1. do not apply to any mortgageholder.

2. We will mail our notice to the Named Insured's mailing address last known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

5. The following paragraph is added:

N. Multi-Year Policies

We may issue this policy for a term in excess of twelve months with the premium adjusted on an annual basis in accordance with our rates and rules.

SERFF Tracking Number: USLI-125849629 *State:* Arkansas
Filing Company: United States Liability Insurance Company *State Tracking Number:* EFT \$50
Company Tracking Number: PERS-HBP-08-10-F
TOI: 05.0 Commercial Multi-Peril - Liability & Non- *Sub-TOI:* 05.0002 Businessowners
Liability
Product Name: Home Business
Project Name/Number: PERS-HBP-08-10/PERS-HBP-08-10

Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: USLI-125849629 State: Arkansas
Filing Company: United States Liability Insurance Company State Tracking Number: EFT \$50
Company Tracking Number: PERS-HBP-08-10-F
TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0002 Businessowners
Liability
Product Name: Home Business
Project Name/Number: PERS-HBP-08-10/PERS-HBP-08-10

Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-
Property & Casualty

Review Status: Approved 10/27/2008

Comments:

I had to modify the NAIC transmittal to fit all the forms that were included in this filing into that document.

Attachment:

industry_rates_PCtransDoc_intelligent.pdf

Property & Casualty Transmittal Document

1. Reserved for Insurance Dept. Use Only	2. Insurance Department Use only a. Date the filing is received: b. Analyst: c. Disposition: d. Date of disposition of the filing: e. Effective date of filing: New Business Renewal Business f. State Filing #: g. SERFF Filing #: h. Subject Codes
-------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

3. Group Name	Group NAIC #

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #

5. Company Tracking Number	
-----------------------------------	--

Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6.	Name and address	Title	Telephone #s	FAX #	e-mail

7. Signature of authorized filer	
8. Please print name of authorized filer	

Filing information (see General Instructions for descriptions of these fields)

9. Type of Insurance (TOI)	
10. Sub-Type of Insurance (Sub-TOI)	
11. State Specific Product code(s)(if applicable)[See State Specific Requirements]	
12. Company Program Title (Marketing title)	
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14. Effective Date(s) Requested	New: <input type="text"/> Renewal: <input type="text"/>
15. Reference Filing?	<input type="checkbox"/> Yes <input type="checkbox"/> No
16. Reference Organization (if applicable)	
17. Reference Organization # & Title	
18. Company's Date of Filing	
19. Status of filing in domicile	<input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

Property & Casualty Transmittal Document—

20. This filing transmittal is part of Company Tracking #

21. Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]

22. Filing Fees (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]

Check #:
Amount:

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.)

PC TD-1 pg 2 of 2

Form Number	Form Name/ Description	Edition Date			(check one or more)			Rate or Premium Impact?		Mandatory or Optional		
			<u>new</u>	<u>replacement</u>	<u>broaden</u>	<u>restrict</u>	<u>other</u>	Yes	No			
Businessowners Coverage Form	BP 00 03	07/02	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	Yes	No	Mandatory
Comprehensive Business Liability Exclusion	BP 04 01	07/02	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Yes	No	Optional
Additional Insured - Managers or Lessors of Premises	BP 04 02	07/02	<input checked="" type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Yes	No	Optional
Additional Insured - State or Political Subdivisions	BP 04 07	07/02	<input checked="" type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Yes	No	Optional
Additional insured - Mortgagee, Assignee or Receiver	BP 04 09	07/02	<input checked="" type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Yes	No	Optional
Additional Insured - Co Owner	BP 04 11	07/02	<input checked="" type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Yes	No	Optional
Limitation of Coverage to Designated Premises	BP 04 12	07/02	<input checked="" type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Yes	No	Optional
Additional Insured - Lessor of Leased Equipment	BP 04 16	07/02	<input checked="" type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Yes	No	Optional
Employment Related Practices Exclusion	BP 04 17	07/02	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Yes	No	Mandatory
Protective Safeguards	BP-115	07/08	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Yes	No	Mandatory
Additional Insured - Designated Person or Organization	BP 04 48	07/02	<input checked="" type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Yes	No	Optional
Additional Insured - State or Political Subdivisions - Permits	BP 04 52	07/02	<input checked="" type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Yes	No	Optional
Named Perils	BP 10 09	07/02	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	Yes	No	Optional
Loss Payable Provisions	BP 12 03	07/02	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	Yes	No	Optional
Business Income and Extra Expense Exclusion	BP-1	05/04	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Yes	No	Optional
Theft Limitation	BP-10	05/04	<input checked="" type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Yes	No	Optional
Theft Exclusion	BP-14	11/06	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Yes	No	Optional

Business Income & Extra Expense	BP-15	07/04	<input checked="" type="radio"/> <input type="radio"/>	<input checked="" type="radio"/> <input type="radio"/> <input type="radio"/>	<input checked="" type="radio"/> Yes <input checked="" type="radio"/> No	Optional
Firearms Exclusion	BP-19	05/04	<input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> <input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> Yes <input checked="" type="radio"/> No	Optional
Assault and Battery Exclusion	L-461	11/07	<input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> <input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> Yes <input checked="" type="radio"/> No	Optional
Exclusion - Property of Others	BP-41	08/04	<input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> <input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> Yes <input checked="" type="radio"/> No	Mandatory
Exclusion - Loss or Damage by Theft of Certain Items	BP-44	08/04	<input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> <input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> Yes <input checked="" type="radio"/> No	Optional
Equipment Breakdown Enhancement Endorsement	BP-47	08/08	<input checked="" type="radio"/> <input type="radio"/>	<input checked="" type="radio"/> <input type="radio"/> <input type="radio"/>	<input checked="" type="radio"/> Yes <input type="radio"/> No	Optional
Exclusion - Asbestos, Lead Contamination, Absolute Pollution, Mold, Fungus, Bacteria, Virus, and Organic Pathogen	BP-48CT	07/08	<input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> <input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> Yes <input checked="" type="radio"/> No	Mandatory
Absolute , Organic Pathogen, Silica, Asbestos and Lead	BP-49	11/07	<input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> <input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> Yes <input checked="" type="radio"/> No	Mandatory
Businessowners Value Plus Endorsement	BP-57	05/04	<input checked="" type="radio"/> <input type="radio"/>	<input checked="" type="radio"/> <input type="radio"/> <input type="radio"/>	<input type="radio"/> Yes <input checked="" type="radio"/> No	Optional
Exclusion - Athletic Activity or Sport Participants	BP-59	03/04	<input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> <input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> Yes <input checked="" type="radio"/> No	Optional
Additional Insured - Grantor of Franchise	BP-6	05/04	<input checked="" type="radio"/> <input type="radio"/>	<input checked="" type="radio"/> <input type="radio"/> <input type="radio"/>	<input checked="" type="radio"/> Yes <input type="radio"/> No	Optional
Business Income & Extra Expense Coverage Limitation	BP-72	02/05	<input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> <input type="radio"/> <input type="radio"/>	<input type="radio"/> Yes <input checked="" type="radio"/> No	Optional
Exclusion - Violation of Statutes	BP-78	05/05	<input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> <input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> Yes <input checked="" type="radio"/> No	Mandatory
Exclusion - Designated Products	BP-79	05/05	<input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> <input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> Yes <input checked="" type="radio"/> No	Optional
Punitive or Exemplary Damages Exclusion	BP-85	01/06	<input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> <input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> Yes <input checked="" type="radio"/> No	Mandatory
Absolute Liquor Liability Exclusion	BP-86	03/06	<input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> <input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> Yes <input checked="" type="radio"/> No	Optional
Expanded Definition of Bodily Injury	BP-88	04/06	<input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> <input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> Yes <input checked="" type="radio"/> No	Mandatory

Amendatory Endorsement - Who is an insured	BP-90	07/06	<input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> <input type="radio"/> <input checked="" type="radio"/>	<input type="radio"/> Yes <input checked="" type="radio"/> No	Mandatory
Mortgagee/Loss Payable Provision	BP-92	11/06	<input checked="" type="radio"/> <input type="radio"/>	<input checked="" type="radio"/> <input type="radio"/> <input type="radio"/>	<input type="radio"/> Yes <input checked="" type="radio"/> No	optional
Businessowner's Value Endorsement	BP-93	01/07	<input checked="" type="radio"/> <input type="radio"/>	<input checked="" type="radio"/> <input type="radio"/> <input type="radio"/>	<input type="radio"/> Yes <input checked="" type="radio"/> No	Optional
Expanded Definition of Bodily Injury	L-610	11/04	<input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> <input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> Yes <input checked="" type="radio"/> No	Mandatory
Extension of Terrorism Coverage	L-541	01/08	<input checked="" type="radio"/> <input type="radio"/>	<input checked="" type="radio"/> <input type="radio"/> <input type="radio"/>	<input checked="" type="radio"/> Yes <input type="radio"/> No	Optional
Disclosure Notice	TRIADN	01/08	<input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> <input type="radio"/> <input checked="" type="radio"/>	<input type="radio"/> Yes <input checked="" type="radio"/> No	Mandatory
Tanning Exclusion	BP-13	05/04	<input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> <input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> Yes <input checked="" type="radio"/> No	Optional
Special Events Exclusion Exception for Scheduled Events	BP-30	05/04	<input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> <input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> Yes <input checked="" type="radio"/> No	Optional
Exclusion - Laundry and Dry Cleaning Damage	BP-42	08/04	<input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> <input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> Yes <input checked="" type="radio"/> No	Optional
Basement or Below Grade Level Water Damage Exclusion	BP-45	08/04	<input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> <input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> Yes <input checked="" type="radio"/> No	Optional
Animal Exclusion	BP-58	05/07	<input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> <input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> Yes <input checked="" type="radio"/> No	Optional
Amendment of Premium Audit Conditions	BP-77B	06/06	<input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> <input type="radio"/> <input checked="" type="radio"/>	<input type="radio"/> Yes <input checked="" type="radio"/> No	Mandatory
Business Personal Property - "Stock" Exclusion	BP-100	11/07	<input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> <input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> Yes <input checked="" type="radio"/> No	Optional
Limited Fungi or Bacteria Coverage	BP 05 76	11/02	<input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> <input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> Yes <input checked="" type="radio"/> No	Mandatory
Businessowners Liability Coverage Declarations	CL-150	10/03	<input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> <input type="radio"/> <input checked="" type="radio"/>	<input type="radio"/> Yes <input checked="" type="radio"/> No	Mandatory
Minimum Earned Premium Endorsement	L-367	08/03	<input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> <input type="radio"/> <input checked="" type="radio"/>	<input type="radio"/> Yes <input checked="" type="radio"/> No	Mandatory
Declarations	USL-BPD	01/05	<input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> <input type="radio"/> <input checked="" type="radio"/>	<input type="radio"/> Yes <input checked="" type="radio"/> No	Mandatory
Exclusion - Personal and Advertising Injury	BP 04 37	07/02	<input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> <input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> Yes <input checked="" type="radio"/> No	Optional

Medical Expenses - Exclusion	BP 04 38	07/02	<input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> <input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> Yes <input checked="" type="radio"/> No	Optional
Business Liability Coverage - Tenants Liability	BP 04 55	07/02	<input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> <input type="radio"/> <input type="radio"/>	<input type="radio"/> Yes <input checked="" type="radio"/> No	Optional
Additional Insured - Controlling Interest	BP 04 06	07/02	<input checked="" type="radio"/> <input type="radio"/>	<input checked="" type="radio"/> <input type="radio"/> <input type="radio"/>	<input checked="" type="radio"/> Yes <input type="radio"/> No	Optional
Exclusion of Certified Acts of Terrorism	BP-104	01/08	<input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> <input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> Yes <input checked="" type="radio"/> No	Mandatory
Arkansas Changes	BP 01 53	02/07	<input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> <input type="radio"/> <input checked="" type="radio"/>	<input type="radio"/> Yes <input checked="" type="radio"/> No	Mandatory
Section IV - Errors & Omissions	BP-117	06/08	<input checked="" type="radio"/> <input type="radio"/>	<input checked="" type="radio"/> <input type="radio"/> <input type="radio"/>	<input type="radio"/> Yes <input checked="" type="radio"/> No	Mandatory
Integration Endorsement	HBP-100	05/08	<input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> <input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> Yes <input checked="" type="radio"/> No	Mandatory
Financial Services Exclusion	HBP-101	05/08	<input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> <input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> Yes <input checked="" type="radio"/> No	Mandatory
Claims Adjuster Exclusion	HBP-102	05/08	<input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> <input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> Yes <input checked="" type="radio"/> No	Mandatory
Travel Agents Exclusion	HBP-103	05/08	<input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> <input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> Yes <input checked="" type="radio"/> No	Mandatory
Reprinting Cost Exclusion	HBP-104	05/08	<input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> <input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> Yes <input checked="" type="radio"/> No	Mandatory
Professional Services Exclusion	HBP-105	05/08	<input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> <input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> Yes <input checked="" type="radio"/> No	Mandatory
Franchisor Operations Exclusion	HBP-106	05/08	<input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> <input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> Yes <input checked="" type="radio"/> No	Mandatory
Retroactive Date Endorsement	HBP-107	05/08	<input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> <input type="radio"/> <input checked="" type="radio"/>	<input type="radio"/> Yes <input checked="" type="radio"/> No	Mandatory
Insurance Risk Managers Endorsement	HBP-108	05/08	<input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> <input type="radio"/> <input checked="" type="radio"/>	<input type="radio"/> Yes <input checked="" type="radio"/> No	Mandatory
Products and Completed Operations Exclusion	HBP-109	05/08	<input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> <input checked="" type="radio"/> <input type="radio"/>	<input type="radio"/> Yes <input checked="" type="radio"/> No	Mandatory

SERFF Tracking Number: USLI-125849629 State: Arkansas
 Filing Company: United States Liability Insurance Company State Tracking Number: EFT \$50
 Company Tracking Number: PERS-HBP-08-10-F
 TOI: 05.0 Commercial Multi-Peril - Liability & Non- Sub-TOI: 05.0002 Businessowners
 Liability
 Product Name: Home Business
 Project Name/Number: PERS-HBP-08-10/PERS-HBP-08-10

Superseded Attachments

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Original Date:	Schedule	Document Name	Replaced Date	Attach Document
No original date	Form	Punitive or Exemplary Damages Exclusion	10/08/2008	bp-85_(01-06).pdf
No original date	Form	Arkansas Changes	10/08/2008	BP0153 02 07.pdf

**UNITED STATES LIABILITY INSURANCE GROUP
WAYNE, PENNSYLVANIA**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

PUNITIVE OR EXEMPLARY DAMAGES EXCLUSION

Regardless of any other provision of this policy, this policy does not apply to punitive or exemplary damages.

If a suit is brought against any insured, and falls within the coverage provided by the policy, seeking both compensatory damages (damages for economic loss and pain and suffering) and punitive or exemplary damages (damages as a means of punishment), no coverage shall be provided by this policy for any costs, interest, defense costs or damages attributable to punitive or exemplary damages.

All other terms and conditions of this policy remain unchanged. This endorsement is a part of your policy and takes effect on the effective date of your policy unless another effective date is shown.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ARKANSAS CHANGES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

A. Section I – 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.2.g.** of the **Mortgageholders** Property General Conditions is replaced by the following:

- g. If we elect not to renew this policy, we will give written notice to the mortgageholder:
 - (1) As soon as practicable if nonrenewal is due to the Named Insured's failure to pay any premium required for renewal; or

- (2) At least 60 days before the expiration date of this policy if we nonrenew for any other reason.

B. Section III – 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.

b. If we cancel for:

- (1) Nonpayment of premium, we will mail or deliver written notice of cancellation, stating the reason for cancellation, to the first Named Insured and any lienholder or loss payee named in the policy at least 10 days before the effective date of cancellation.

- (2) Any other reason, we will mail or deliver notice of cancellation to the first Named Insured and any lienholder or loss payee named in the policy at least 20 days before the effective date of cancellation.

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 Named Insured shown in the Declarations, and to any lienholder or loss payee named in the policy, 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 the Named Insured's failure to pay any premium required for renewal.

The provisions of this Paragraph 1. do not apply to any mortgageholder.

2. We will mail our notice to the Named Insured's mailing address last known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

5. The following paragraph is added:

N. Multi-Year Policies

We may issue this policy for a term in excess of twelve months with the premium adjusted on an annual basis in accordance with our rates and rules.