

SERFF Tracking Number: LWCM-125751994 State: Arkansas
First Filing Company: Employers Insurance Company of Wausau, ... State Tracking Number: EFT \$50
Company Tracking Number: LW-PKF-CW-001-08
TOI: 05.1 Commercial Multi-Peril - Non-Liability Sub-TOI: 05.1003 Commercial Package
Portion Only
Product Name: Commercial Package Policies
Project Name/Number: Submission of Package Solution Program-Coverage forms & endorsements/LW-PKF-CW-001-08

Filing at a Glance

Companies: Employers Insurance Company of Wausau, Wausau Underwriters Insurance Company, Wausau Business Insurance Company, Liberty Mutual Insurance Company, Liberty Mutual Fire Insurance Company, LM Insurance Corporation, The First Liberty Insurance Corporation, Liberty Insurance Corporation

Product Name: Commercial Package Policies SERFF Tr Num: LWCM-125751994 State: Arkansas

TOI: 05.1 Commercial Multi-Peril - Non-Liability SERFF Status: Closed State Tr Num: EFT \$50
Portion Only

Sub-TOI: 05.1003 Commercial Package Co Tr Num: LW-PKF-CW-001-08 State Status: Fees verified and received

Filing Type: Form Co Status: Reviewer(s): Llyweyia Rawlins
Authors: Polly Becker, Marie Exon Disposition Date: 08/19/2008
Date Submitted: 07/30/2008 Disposition Status: Approved

Effective Date Requested (New): 09/01/2009 Effective Date (New): 09/01/2008
Effective Date Requested (Renewal): 09/01/2009 Effective Date (Renewal): 09/01/2008

State Filing Description:

General Information

Project Name: Submission of Package Solution Program-Coverage forms & endorsements

Project Number: LW-PKF-CW-001-08

Reference Organization: n/a

Reference Title: n/a

Filing Status Changed: 08/19/2008

State Status Changed: 08/12/2008

Corresponding Filing Tracking Number: LW-PKR-CW-001-08

Filing Description:

RE: COMMERCIAL PACKAGE POLICIES

Status of Filing in Domicile: Pending

Domicile Status Comments: Being submitted at this time

Reference Number: n/a

Advisory Org. Circular: n/a

Deemer Date:

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**PACKAGE SOLUTION™ PROGRAM -
COVERAGE FORMS, ENDORSEMENTS,**

Project # LW-PKF-CW-001-08/LW-PKR-CW-001-08
Liberty Mutual Insurance Company NAIC-0111-23043
Liberty Mutual Fire Insurance Company NAIC-0111-23035
LM Insurance Corporation NAIC-0111-33600
The First Liberty Insurance Corporation NAIC-0111-33588
Liberty Insurance Corporation NAIC-0111-42404
Employers Insurance Company of Wausau NAIC-0111-21458
Wausau Underwriters Insurance Company NAIC-0111-26042
Wausau Business Insurance Company NAIC-0111-26069

REQUESTED EFFECTIVE DATE: September 1, 2009

Please accept our submission of the Package Solution™ Policy. We ask for your consideration and review of this new independently filed program. It is being prepared in an effort to upgrade the coverage available in our current package offering.

We believe Package Solution™ will:

- Eliminate special handling of policies, which will lead to better use of company resources, ease of policy administration, and improved service for our policyholders.
- Enable us to bring a more comprehensive property product to the marketplace.

This new program filing consists of:

1. Policy Forms, Endorsements (including State Amendatory Endorsements, if applicable) and Forms Inventory.
2. Actuarial Memorandum and Exhibits. (New program – so no data is available to date for this policy – exhibits provided are for Liberty

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Mutual Group experience)

3. Package Solution™ Rules and Rating Procedures

4. The Equipment Breakdown Rules and Rating Procedures.

5. The Terrorism Rules and Rating Procedures.

6. Commercial Lines Manual Division Nine Exception Page.

If you have any questions, please contact me by phone, E-mail or in writing at the address provided in this letter.

We will appreciate acknowledgment/approval of this filing submission.

Sincerely,

Polly Becker
State Filings Analyst
Liberty Mutual Group
PO BOX 8017
Wausau WI 54402-8017
(877) 792-8728 Ext. 7434
Fax: (715) 842-6828
Polly.Becker@Wausau.com

Company and Contact

Filing Contact Information

Polly Becker, State Filings Analyst

polly.becker@wausau.com

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PO BOX 8070 (877) 792-8728 [Phone]
 Wausau, WI 54402-8070 (715) 842-6828[FAX]

Filing Company Information

Employers Insurance Company of Wausau CoCode: 21458 State of Domicile: Wisconsin
 PO BOX 8070 Group Code: 111 Company Type:
 Wausau, WI 54402-8070 Group Name: Liberty Mutual Group State ID Number:
 (877) 792-8728 ext. [Phone] FEIN Number: 39-0264050

 Wausau Underwriters Insurance Company CoCode: 26042 State of Domicile: Wisconsin
 PO BOX 8070 Group Code: 111 Company Type:
 Wausau, WI 54402-8070 Group Name: Liberty Mutual Group State ID Number:
 (877) 792-8728 ext. [Phone] FEIN Number: 39-1341459

 Wausau Business Insurance Company CoCode: 26069 State of Domicile: Wisconsin
 PO BOX 8070 Group Code: 111 Company Type:
 Wausau, WI 54402-8070 Group Name: Liberty Mutual Group State ID Number:
 (877) 792-8728 ext. [Phone] FEIN Number: 36-3522250

 Liberty Mutual Insurance Company CoCode: 23043 State of Domicile: Massachusetts
 PO BOX 8070 Group Code: 111 Company Type:
 Wausua, WI 54402-8070 Group Name: Liberty Mutual Group State ID Number:
 (877) 792-8728 ext. [Phone] FEIN Number: 04-1543470

 Liberty Mutual Fire Insurance Company CoCode: 23035 State of Domicile: Wisconsin
 PO Box 8070 Group Code: 111 Company Type:
 Wausau, WI 54402-8070 Group Name: Liberty Mutual Group State ID Number:
 (877) 792-8728 ext. [Phone] FEIN Number: 04-1924000

 LM Insurance Corporation CoCode: 33600 State of Domicile: Iowa
 PO Box 8070 Group Code: 111 Company Type:
 Wausau, WI 54402-8070 Group Name: Liberty Mutual Group State ID Number:
 (877) 792-8728 ext. [Phone] FEIN Number: 04-3058504

 The First Liberty Insurance Corporation CoCode: 33588 State of Domicile: Iowa

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PO Box 8070
Wausau , WI 54402-8070
(877) 792-8728 ext. [Phone]

Group Code: 111 Company Type:
Group Name: Liberty Mutual Group State ID Number:
FEIN Number: 04-3058503

Liberty Insurance Corporation
PO BOX 8070
Wausau, WI 54402-8070
(877) 792-8728 ext. [Phone]

CoCode: 42404 State of Domicile: Illinois
Group Code: 111 Company Type:
Group Name: Liberty Mutual Group State ID Number:
FEIN Number: 03-0316876

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Filing Fees

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

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Employers Insurance Company of Wausau	\$50.00	07/30/2008	21670633
Wausau Underwriters Insurance Company	\$0.00	07/30/2008	
Wausau Business Insurance Company	\$0.00	07/30/2008	
Liberty Mutual Insurance Company	\$0.00	07/30/2008	
Liberty Mutual Fire Insurance Company	\$0.00	07/30/2008	
LM Insurance Corporation	\$0.00	07/30/2008	
The First Liberty Insurance Corporation	\$0.00	07/30/2008	
Liberty Insurance Corporation	\$0.00	07/30/2008	

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Llyweyia Rawlins	08/19/2008	08/19/2008

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	08/19/2008	08/19/2008	Polly Becker	08/19/2008	08/19/2008

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Disposition

Disposition Date: 08/19/2008
Effective Date (New): 09/01/2008
Effective Date (Renewal): 09/01/2008
Status: Approved
Comment:

Rate data does NOT apply to filing.

Overall Rate Information for Multiple Company Filings

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

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	Inventory	Approved	Yes
Form	Common Policy Declarations	Approved	Yes
Form	Inventory - Coverage Forms/Parts, Endorsements, Enclosures	Approved	Yes
Form	Policy Reference Index	Approved	Yes
Form	Named Insured	Approved	Yes
Form	Taxes, Surcharges and Assessments Summary	Approved	Yes
Form	Amendatory Endorsement	Approved	Yes
Form	Schedule of Mortgage Holders or Loss Payees	Approved	Yes
Form	DECLARATIONS	Approved	Yes
Form	COVERAGES	Approved	Yes
Form	EXTENSIONS OF COVERAGE	Approved	Yes
Form	EXCLUSIONS	Approved	Yes
Form	PROPERTY NOT COVERED	Approved	Yes
Form	VALUATIONS	Approved	Yes
Form	CONDITIONS	Approved	Yes
Form	DEFINITIONS	Approved	Yes
Form	Cancellation by the Company (Reasons Other Than Nonpayment)	Approved	Yes
Form	Cancellation by the Company (Includes Nonpayment Cancellation)	Approved	Yes
Form	Additional Deductibles and Waiting Periods	Approved	Yes
Form	Accounts Receivable	Approved	Yes
Form	Contingent Loss of Business Income or Extra Expense	Approved	Yes
Form	Contingent Loss of Business Income or Extra Expense Leader Locations	Approved	Yes
Form	Earth Movement	Approved	Yes

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Form	Earth Movement Sprinkler Leakage	Approved	Yes
Form	Errors and Omissions	Approved	Yes
Form	Fine Arts	Approved	Yes
Form	Flood	Approved	Yes
Form	Food Borne Contamination	Approved	Yes
Form	Foreign Locations - Extension of Territorial Condition	Approved	Yes
Form	Package Solution Plus™ for Green Organizations	Approved	Yes
Form	Guest Emergency Evacuation Due to Order by Civil Authority	Approved	Yes
Form	Hotel Guest Relocation Expenses	Approved	Yes
Form	Interruption of Services	Approved	Yes
Form	Loss of Business Income - Research and Development	Approved	Yes
Form	Lost Master Key	Approved	Yes
Form	Miscellaneous Locations	Approved	Yes
Form	Mobile Equipment or Tools Extension	Approved	Yes
Form	Personal Property or Personal Property of Others Sold Under an Installation Agreement	Approved	Yes
Form	Package Solution Plus™	Approved	Yes
Form	Spoilage of Perishable Goods While in Transit	Approved	Yes
Form	Territorial Definition	Approved	Yes
Form	Cap on Losses From Certified Acts of Terrorism	Approved	Yes
Form	Exclusion of Certified Acts of Terrorism	Approved	Yes
Form	Additional Named Insured	Approved	Yes
Form	Additional Insured	Approved	Yes
Form	Exceeding Registered Lifting Capacity Exclusion	Approved	Yes
Form	Payroll Expense Exclusion	Approved	Yes

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Form	Wind and Hail Exclusion	Approved	Yes
Form	Wind Associated with a Named Storm Exclusion	Approved	Yes
Form	Greens, Tees and Fairways	Approved	Yes
Form	Livestock	Approved	Yes
Form	Equipment Breakdown Coverage	Approved	Yes
Form	Equipment Breakdown - Accident Definition	Approved	Yes
Form	Equipment Breakdown – Spare Equipment and Parts Restriction	Approved	Yes
Form	Equipment Breakdown – Specified Limit of Liability for Specific Objects	Approved	Yes
Form	Pair, Set or Parts Condition	Approved	Yes
Form	Payroll Expense for Specifically Described Employees	Approved	Yes
Form	Payroll Expense Limitation	Approved	Yes
Form	Protective Safeguards Condition	Approved	Yes
Form	Theft Limitation	Approved	Yes
Form	Valuations - Actual Cash Value	Approved	Yes
Form	Watercraft	Approved	Yes
Form	Peak Season	Approved	Yes
Form	Standard Extensions	Approved	Yes
Form	ADDITIONAL FIRST TIER WIND COUNTIES AND INDEPENDENT CITIES (THE STATES OF VIRGINIA THROUGH AND INCLUDING MAINE)	Approved	Yes
Form	Additional Second Tier Wind Counties and Independent Cities (The States of Virginia through and Including Maine)	Approved	Yes
Form (revised)	Arkansas Changes	Approved	Yes
Form	Arkansas Changes	Approved	Yes
Form	Arkansas Changes - Cancellation and Nonrenewal	Approved	Yes

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Objection Letter

Objection Letter Status Pending Industry Response
Objection Letter Date 08/19/2008
Submitted Date 08/19/2008
Respond By Date 08/26/2008

Dear Polly Becker,

Form: Arkansas Changes: PK 01 35 07 09

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

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

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 08/19/2008
Submitted Date 08/19/2008

Dear Llyweyia Rawlins,

Comments:

Response 1

Comments: We have revised PK 01 35 07 09 per your request. Please see the attached.

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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
Arkansas Changes	PK 01 35 07 09	07 09	Endorsement/Amendment/Conditions	New			AR PK 01 35 07 09 Arkansas Changes rev.pdf
Previous Version							
Arkansas Changes	PK 01 35 07 09	07 09	Endorsement/Amendment/Conditions	New			AR PK 01 35 07 09 Arkansas Changes. pdf

No Rate/Rule Schedule items changed.

Sincerely,
 Marie Exon, Polly Becker

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Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type	Action	Action Specific Data	Readability	Attachment
Approved	Common Policy Declarations	IC 00 41 07 09	07 09	Declaration	New s/Schedule		0.00	IC 00 41 07 09 Common Dec.pdf
Approved	Inventory - Coverage Forms/Parts, Endorsements, Enclosures	IC 00 42 07 09	07 09	Other	New		0.00	IC 00 42 07 09.pdf
Approved	Policy Reference Index	PK 00 02 07 09	07 09	Other	New		0.00	PK 00 02 07 09.pdf
Approved	Named Insured	PK 00 04 07 09	07 09	Endorseme	New nt/Amendm ent/Condi ons		0.00	PK 00 04 07 09.pdf
Approved	Taxes, Surcharges and Assessments Summary	PK 00 05 07 09	07 09	Declaration	New s/Schedule		0.00	PK 00 05 07 09.pdf
Approved	Amendatory Endorsement	PK 00 06 07 09	07 09	Endorseme	New nt/Amendm ent/Condi ons		0.00	PK 00 06 07 09.pdf
Approved	Schedule of Mortgage Holders or Loss Payees	PK 00 07 07 09	07 09	Declaration	New s/Schedule		0.00	PK 00 07 07 09.pdf
Approved	DECLARATIONS	PK 10 00 07 09	07 09	Declaration	New s/Schedule		0.00	PK 10 00 07 09 Declarations. pdf
Approved	COVERAGES	PK 10 01 07 09	07 09	Policy/Cove	New rage Form		0.00	PK 10 01 07 09.pdf
Approved	EXTENSIONS	PK 10 02 07 09	07 09	Policy/Cove	New		0.00	PK 10 02 07

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	OF COVERAGE	07 09	rage Form		09.pdf
Approved	EXCLUSIONS	PK 10 03 07 09	Policy/CoveNew rage Form	0.00	PK 10 03 07 09.pdf
Approved	PROPERTY NOT COVERED	PK 10 04 07 09	Policy/CoveNew rage Form	0.00	PK 10 04 07 09.pdf
Approved	VALUATIONS	PK 10 05 07 09	Policy/CoveNew rage Form	0.00	PK 10 05 07 09.pdf
Approved	CONDITIONS	PK 10 06 07 09	Policy/CoveNew rage Form	0.00	PK 10 06 07 09.pdf
Approved	DEFINITIONS	PK 10 07 07 09	Policy/CoveNew rage Form	0.00	PK 10 07 07 09.pdf
Approved	Cancellation by the Company (Reasons Other Than Nonpayment)	PK 02 44 07 09	Endorseme New nt/Amendm ent/Condi ons	0.00	PK 02 44 07 09.pdf
Approved	Cancellation by the Company (Includes Nonpayment Cancellation)	PK 02 45 07 09	Endorseme New nt/Amendm ent/Condi ons	0.00	PK 02 45 07 09.pdf
Approved	Additional Deductibles and Waiting Periods	PK 03 01 07 09	Endorseme New nt/Amendm ent/Condi ons	0.00	PK 03 01 07 09.pdf
Approved	Accounts Receivable	PK 04 01 07 09	Endorseme New nt/Amendm ent/Condi ons	0.00	PK 04 01 07 09.pdf
Approved	Contingent Loss of Business Income or Extra Expense	PK 04 02 07 09	Endorseme New nt/Amendm ent/Condi ons	0.00	PK 04 02 07 09.pdf
Approved	Contingent Loss of Business Income or Extra Expense Leader	PK 04 03 07 09	Endorseme New nt/Amendm ent/Condi ons	0.00	PK 04 03 07 09.pdf

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Locations

Approved	Earth Movement	PK 04 04 07 09	Endorsement/Amendment/Conditions	New	0.00	PK 04 04 07 09.pdf
Approved	Earth Movement Sprinkler Leakage	PK 04 05 07 09	Endorsement/Amendment/Conditions	New	0.00	PK 04 05 07 09.pdf
Approved	Errors and Omissions	PK 04 06 07 09	Endorsement/Amendment/Conditions	New	0.00	PK 04 06 07 09.pdf
Approved	Fine Arts	PK 04 07 07 09	Endorsement/Amendment/Conditions	New	0.00	PK 04 07 07 09.pdf
Approved	Flood	PK 04 08 07 09	Endorsement/Amendment/Conditions	New	0.00	PK 04 08 07 09.pdf
Approved	Food Borne Contamination	PK 04 09 07 09	Endorsement/Amendment/Conditions	New	0.00	PK 04 09 07 09.pdf
Approved	Foreign Locations - Extension of Territorial Condition	PK 04 10 07 09	Endorsement/Amendment/Conditions	New	0.00	PK 04 10 07 09.pdf
Approved	Package Solution Plus™ for Green Organizations	PK 04 11 07 09	Endorsement/Amendment/Conditions	New	0.00	PK 04 11 07 09.pdf
Approved	Guest Emergency Evacuation Due to Order by Civil	PK 04 12 07 09	Endorsement/Amendment/Conditions	New	0.00	PK 04 12 07 09.pdf

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Authority

Approved	Hotel Guest Relocation Expenses	PK 04 13 07 09	Endorsement/Amendment/Conditions	New	0.00	PK 04 13 07 09.pdf
Approved	Interruption of Services	PK 04 14 07 09	Endorsement/Amendment/Conditions	New	0.00	PK 04 14 07 09.pdf
Approved	Loss of Business Income - Research and Development	PK 04 15 07 09	Endorsement/Amendment/Conditions	New	0.00	PK 04 15 07 09.pdf
Approved	Lost Master Key	PK 04 16 07 09	Endorsement/Amendment/Conditions	New	0.00	PK 04 16 07 09.pdf
Approved	Miscellaneous Locations	PK 04 17 07 09	Endorsement/Amendment/Conditions	New	0.00	PK 04 17 07 09.pdf
Approved	Mobile Equipment or Tools Extension	PK 04 18 07 09	Endorsement/Amendment/Conditions	New	0.00	PK 04 18 07 09.pdf
Approved	Personal Property or Personal Property of Others Sold Under an Installation Agreement	PK 04 19 07 09	Endorsement/Amendment/Conditions	New	0.00	PK 04 19 07 09.pdf
Approved	Package Solution Plus™	PK 04 20 07 09	Endorsement/Amendment/Conditions	New	0.00	PK 04 20 07 09.pdf

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Approved	Spoilage of Perishable Goods While in Transit	PK 04 21 07 09	Endorseme New nt/Amendm ent/Condi ons	0.00	PK 04 21 07 09.pdf
Approved	Territorial Definition	PK 04 22 07 09	Endorseme New nt/Amendm ent/Condi ons	0.00	PK 04 22 07 09.pdf
Approved	Cap on Losses From Certified Acts of Terrorism	PK 09 01 07 09	Endorseme New nt/Amendm ent/Condi ons	0.00	PK 09 01 07 09.pdf
Approved	Exclusion of Certified Acts of Terrorism	PK 09 02 07 09	Endorseme New nt/Amendm ent/Condi ons	0.00	PK 09 02 07 09.pdf
Approved	Additional Named Insured	PK 20 01 07 09	Endorseme New nt/Amendm ent/Condi ons	0.00	PK 20 01 07 09.pdf
Approved	Additional Insured	PK 20 02 07 09	Endorseme New nt/Amendm ent/Condi ons	0.00	PK 20 02 07 09.pdf
Approved	Exceeding Registered Lifting Capacity Exclusion	PK 21 01 07 09	Endorseme New nt/Amendm ent/Condi ons	0.00	PK 21 01 07 09.pdf
Approved	Payroll Expense Exclusion	PK 21 02 07 09	Endorseme New nt/Amendm ent/Condi ons	0.00	PK 21 02 07 09.pdf
Approved	Wind and Hail Exclusion	PK 21 03 07 09	Endorseme New nt/Amendm ent/Condi ons	0.00	PK 21 03 07 09.pdf
Approved	Wind Associated	PK 21 04 07 09	Endorseme New	0.00	PK 21 04 07

SERFF Tracking Number: LWCM-125751994 State: Arkansas
 First Filing Company: Employers Insurance Company of Wausau, ... State Tracking Number: EFT \$50
 Company Tracking Number: LW-PKF-CW-001-08
 TOI: 05.1 Commercial Multi-Peril - Non-Liability Sub-TOI: 05.1003 Commercial Package
 Portion Only
 Product Name: Commercial Package Policies
 Project Name/Number: Submission of Package Solution Program-Coverage forms & endorsements/LW-PKF-CW-001-08

	with a Named Storm Exclusion	07 09		nt/Amendment/Conditions			09.pdf
Approved	Greens, Tees and Fairways	PK 22 01 07 09	07 09	Endorsement/Newnt/Amendment/Conditions	0.00		PK 22 01 07 09.pdf
Approved	Livestock	PK 22 02 07 09	07 09	Endorsement/Newnt/Amendment/Conditions	0.00		PK 22 02 07 09.pdf
Approved	Equipment Breakdown Coverage	PK 24 01 07 09	07 09	Endorsement/Newnt/Amendment/Conditions	0.00		PK 24 01 07 09.pdf
Approved	Equipment Breakdown - Accident Definition	PK 24 02 07 09	07 09	Endorsement/Newnt/Amendment/Conditions	0.00		PK 24 02 07 09.pdf
Approved	Equipment Breakdown – Spare Equipment and Parts Restriction	PK 24 03 07 09	07 09	Endorsement/Newnt/Amendment/Conditions	0.00		PK 24 03 07 09.pdf
Approved	Equipment Breakdown – Specified Limit of Liability for Specific Objects	PK 24 04 07 09	07 09	Endorsement/Newnt/Amendment/Conditions	0.00		PK 24 04 07 09.pdf
Approved	Pair, Set or Parts Condition	PK 24 05 07 09	07 09	Endorsement/Newnt/Amendment/Conditions	0.00		PK 24 05 07 09.pdf
Approved	Payroll Expense for Specifically Described Employees	PK 24 06 07 09	07 09	Endorsement/Newnt/Amendment/Conditions	0.00		PK 24 06 07 09.pdf

SERFF Tracking Number: LWCM-125751994 State: Arkansas
 First Filing Company: Employers Insurance Company of Wausau, ... State Tracking Number: EFT \$50
 Company Tracking Number: LW-PKF-CW-001-08
 TOI: 05.1 Commercial Multi-Peril - Non-Liability Sub-TOI: 05.1003 Commercial Package
 Portion Only
 Product Name: Commercial Package Policies
 Project Name/Number: Submission of Package Solution Program-Coverage forms & endorsements/LW-PKF-CW-001-08

Approved	Payroll Expense Limitation	PK 24 07 07 09 07 09	Endorseme New nt/Amendm ent/Condi ons	0.00	PK 24 07 07 09.pdf
Approved	Protective Safeguards Condition	PK 24 08 07 09 07 09	Endorseme New nt/Amendm ent/Condi ons	0.00	PK 24 08 07 09.pdf
Approved	Theft Limitation	PK 24 09 07 09 07 09	Endorseme New nt/Amendm ent/Condi ons	0.00	PK 24 09 07 09.pdf
Approved	Valuations - Actual Cash Value	PK 24 10 07 09 07 09	Endorseme New nt/Amendm ent/Condi ons	0.00	PK 24 10 07 09.pdf
Approved	Watercraft	PK 24 11 07 09 07 09	Endorseme New nt/Amendm ent/Condi ons	0.00	PK 24 11 07 09.pdf
Approved	Peak Season	PK 25 01 07 09 07 09	Endorseme New nt/Amendm ent/Condi ons	0.00	PK 25 01 07 09.pdf
Approved	Standard Extensions	PK 25 02 07 09 07 09	Endorseme New nt/Amendm ent/Condi ons	0.00	PK 25 02 07 09.pdf
Approved	ADDITIONAL FIRST TIER WIND COUNTIES AND INDEPENDENT CITIES (THE STATES OF VIRGINIA THROUGH AND	PK 99 01 07 09 07 09	Endorseme New nt/Amendm ent/Condi ons	0.00	PK 99 01 07 09.pdf

SERFF Tracking Number: LWCM-125751994 State: Arkansas
 First Filing Company: Employers Insurance Company of Wausau, ... State Tracking Number: EFT \$50
 Company Tracking Number: LW-PKF-CW-001-08
 TOI: 05.1 Commercial Multi-Peril - Non-Liability Sub-TOI: 05.1003 Commercial Package
 Portion Only
 Product Name: Commercial Package Policies
 Project Name/Number: Submission of Package Solution Program-Coverage forms & endorsements/LW-PKF-CW-001-08

INCLUDING
 MAINE)

Approved	Additional Second Tier Wind Counties and Independent Cities (The States of Virginia through and Including Maine)	PK 99 02 07 09	Endorseme New nt/Amendm ent/Condi ons	0.00	PK 99 02 07 09.pdf
Approved	Arkansas Changes	PK 01 35 07 09	Endorseme New nt/Amendm ent/Condi ons		AR PK 01 35 07 09 Arkansas Changes rev.pdf
Approved	Arkansas Changes - Cancellation and Nonrenewal	PK 02 02 07 09	Endorseme New nt/Amendm ent/Condi ons		AR PK 02 02 07 09 Arkansas Changes Cancellation and Nonrenewal. pdf

<<Package Solution>> <<TM>>

Common Policy Declarations

Policy number

Producer

Named Insured and Mailing Address

Form of Business

Policy Period:

to

at 12:01 A.M. standard time at your mailing address above

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.

<p>THIS POLICY CONSISTS OF THE FOLLOWING COVERAGES. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.</p>	<p>PREMIUM</p>
<p>Total Premium</p>	<p>\$</p>
<p>Surcharges/Taxes/Assessments</p>	

Issued by:

Countersigned By

Forms Applicable: See Attached Inventory

Authorized Company Representative

Issued:

Account Number:	Sub Account:
-----------------	--------------

Policy number
Issued by

Inventory
Coverage Forms/Parts, Endorsements, Enclosures

COVERAGES FORMS/PARTS, ENDORSEMENTS AND ENCLOSURES FORMING A PART OF THIS POLICY AT INCEPTION:

Form Number	Edition Date	Title
--------------------	---------------------	--------------

Package Solution™ Commercial Property

Policy Reference Index

This Index is to help **you** read **your** Policy. It is not a part of the Policy and is in no way a substitute for reading **your** entire Policy.

Refer to the Inventory, Form IC 00 42, for a list of forms and endorsements that are included on **your** policy.

PLEASE READ **YOUR** POLICY CAREFULLY!

	Form Number
DECLARATIONS	PK 10 00
Named Insured	
Policy Premium	
A. Insuring Agreement	
B. Coverages	
C. Limits of Liability	
D. Optional Extensions of Coverage – Sublimits of Liability	
E. Equipment Breakdown Coverage	
F. Deductible and Waiting Period	
G. Schedule	

COVERAGES	PK 10 01
A. Real Property	
B. Personal Property	
C. Business Income	
D. Extra Expense	
E. Equipment Breakdown	

EXTENSIONS OF COVERAGE

PK 10 02

A. Standard Extensions of Coverage

1. Arson Reward
2. Computer Virus and Denial of Access
3. Course of Construction
4. Debris Removal Expense
5. Duty to Defend
6. Exhibitions, Expositions, Fairs or Trade Shows
7. Extended **Period of Restoration**
8. Paved Surfaces and Underground Pipes
9. **Fungus** Cleanup Expense
10. **Personal Property** of Employees
11. **Personal Property** Off Premise
12. Plants, Trees or Shrubs
13. **Pollution** Cleanup Expense
14. Professional Fees
15. Removal
16. Water or Sewer Backup

B. Optional Extensions of Coverage

1. **New Locations**
2. Operation of Building Laws, Demolition Cost and Increased Construction Cost
3. Salespeople
4. **Transit**
5. **Unscheduled Locations**

EXCLUSIONS

PK 10 03

Group A

Group B

PROPERTY NOT COVERED

PK 10 04

VALUATIONS

PK 10 05

A. Replacement Cost

B. Actual Cash Value

C. Other Valuations

CONDITIONS

- A. Abandonment of Property
- B. Appraisal
- C. Assignment
- D. Brands and Labels
- E. Breach of Condition
- F. Cancellation
- G. Change of Terms
- H. Collection from Others
- I. Concealment, Misrepresentation or Fraud
- J. Inspection
- K. Liberalization
- L. Loss Payee
- M. Mortgage Holders
- N. No Benefit to Bailee
- O. No Reduction by Loss
- P. Nonrenewal
- Q. Other Insurance
- R. **Our** Options
- S. Pair, Set or Parts
- T. Payment of Loss
- U. **Policy Period** and Territory
- V. Recovered Property
- W. Right to Adjust With Owner

CONDITIONS (continued)

PK 10 06

X. Subrogation

Y. Suit

Z. Suspension

A.A. Titles of Paragraphs

B.B. Vacancy

C.C. **Your** Duties After a Loss

DEFINITIONS

PK 10 07

A. Accident

B. Actual Cash Value

C. Average Daily Value (ADV)

D. Business Income

E. Covered Location(s)

F. Covered Loss

G. Covered Property

H. Data

I. Data Processing Equipment

J. Earth Movement

K. Effective Date

L. Extra Expense

M. Fine Arts

N. First Tier Wind Counties and Parishes

O. Flood

P. Fungus

Q. Hail

DEFINITIONS (continued)

- R. Hazardous Substance**
- S. Limit(s) of Liability**
- T. Media**
- U. Mobile Equipment or Tools**
- V. Named Storm**
- W. New Location(s)**
- X. New Madrid**
- Y. Object(s)**
- Z. Occurrence**
- A.A. Peril(s) Insured Against**
- B.B. Period of Restoration**
- C.C. Perishable Goods**
- D.D. Personal Property**
- E.E. Personal Property of Others**
- F.F. Policy Period**
- G.G. Pollutant(s)**
- H.H. Pollution**
- I.I. Puget Sound**
- J.J. Real Property**
- K.K. Replacement Cost**
- L.L. Second Tier Wind Counties and Parishes**
- M.M. Sinkhole Collapse**
- N.N. Software**
- O.O. Specified Peril(s)**
- P.P. Transit**
- Q.Q. Unscheduled Location(s)**
- R.R. Valuable Papers and Records**
- S.S. Vehicle(s)**

DEFINITIONS (continued)

T.T. Volcanic Activity

U.U. We, Us and Our(s)

V.V. Wind

W.W. You and Your(s)

ENDORSEMENTS

See Inventory

Policy number
Issued by

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Named Insured

This endorsement modifies insurance provided under the following:

DECLARATIONS, Form PK 10 00

Named Insured

The named insured in the Declarations is:

<<ENTER NAMED INSURED>>

Policy number
Issued by

Taxes, Surcharges and Assessments Summary

*Taxes, Surcharges
or Assessments*

The following is a breakdown of the total amount of taxes, surcharges or assessments shown on DECLARATIONS, Form PK 10 00.

<<ENTER TITLE OF TAX, SURCHARGE OR
ASSESSMENT>>

<<ENTER APPROPRIATE
DOLLAR AMOUNT>>

Policy number
Issued by

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Amendatory Endorsement

If commercial property coverages are provided under this policy, they are provided through Package Solution™ Commercial Property policy forms. All references to Commercial Property Coverage Parts in Insurance Services Office (ISO) coverage forms attached to this policy are therefore deleted.

Policy number
Issued by

Schedule of Mortgage Holders or Loss Payees

Location	Description of Property	Name and Address of Mortgage Holder or Loss Payee	Interests ("MH" for Mortgage Holder) ("LP" for Loss Payee)
<<ENTER LOCATION #>>	<<ENTER PROPERTY DESCRIPTION>>	<<ENTER NAME AND ADDRESS>>	<<ENTER MH or LP>>

Package Solution™ Commercial Property

DECLARATIONS

Policy number <<ENTER POLICY NUMBER>>

Named Insured
<<INSURED NAME>>

Commercial Property Premium: \$<<PREMIUM>>

Terrorism Risk Insurance Act (TRIA) Premium: \$<<PREMIUM>>

Taxes, Surcharges and Assessments: (See Form PK 00 05 for breakdown) \$<<PREMIUM>>

Total Premium/Other Charges: \$<<PREMIUM>>

Insuring Agreement

A. Insuring Agreement

Subject to all the terms and conditions of this Commercial Property policy, **we** will pay for risks of direct physical loss or damage to **covered property** as a result of an **occurrence**, unless excluded.

If this Commercial Property policy provides equipment breakdown coverage then subject to all the terms and conditions of this Commercial Property policy **we** will pay for direct physical loss or damage to **covered property** as a result of an **accident** to an **object**, unless excluded.

This Commercial Property policy consists of the forms and endorsements shown on the Policy Reference Index, Form PK 00 02, and any endorsements attached to the Commercial Property policy. Insurance is provided at those locations and for those coverages and **limits of liability** shown on the Schedule of the DECLARATIONS, Form PK 10 00. Extensions of coverage, sublimits of liability and deductibles are listed in the DECLARATIONS, Form PK 10 00. Endorsements may contain separate terms, conditions, deductibles and limits or sublimits of liability.

Words in **boldfaced type** have special meanings in this Commercial Property policy. They are defined in DEFINITIONS, Form PK 10 07. These definitions apply to this entire Commercial Property policy, and to any endorsements to it. Definitions that apply to individual forms or endorsements will be italicized and noted in those forms or endorsements.

Coverages

B. Coverages

We provide the following coverages if they are marked with an (X). Coverages are provided in accordance with the terms of this Commercial Property policy. Terms that apply only to individual coverage forms are set forth in those forms. This Commercial Property policy provides coverage on a **replacement cost** basis for **real property, personal property, personal property of others** and equipment breakdown, except as indicated on VALUATIONS, Form PK 10 05, or any other forms or endorsements attached to this Commercial Property policy.

- | | |
|-----------------------|--|
| <<FILLIN X OR SPACE>> | Real Property |
| <<FILLIN X OR SPACE>> | Personal Property , including personal property of others and valuable papers and records |
| <<FILLIN X OR SPACE>> | Equipment Breakdown |
| <<FILLIN X OR SPACE>> | Loss of Business Income |
| <<FILLIN X OR SPACE>> | Extra Expense |

Limits of Liability

C. Limits of Liability

We will not pay more than the applicable **limit of liability** shown on the Schedule of the DECLARATIONS, Form PK 10 00, for any one (1) **occurrence** or any one (1) **accident** covered by this Commercial Property policy, nor will **we** pay for more than **your** interest in the lost or damaged property.

Optional Extensions
of Coverage

D. Optional Extensions of Coverage – Sublimits of Liability

1. The sublimits of liability shown in **4.** below apply to the Optional Extensions of Coverage defined in EXTENSIONS OF COVERAGE, Form PK 10 02. If no sublimit is shown, no coverage is provided.
2. If a sublimit is shown in **4.** below, coverage may be limited or excluded elsewhere in this Commercial Property policy or its endorsements.
3. These sublimits are the most **we** will pay for any loss covered by these Optional Extensions of Coverage. The most **we** will pay for any loss or damage will be the lesser of:
 - a. The sublimit shown below; or
 - b. The sublimit shown on any individual coverage form or endorsement.

Optional Extensions
of Coverage
(continued)

4. Optional Extensions of Coverage:
- a. \$<<\$\$\$ AMT>> at each **new location**, for up to <<# OF DAYS>> days from the date such **new location(s)** is first purchased or rented, whichever is earlier;
 - b. \$<<\$\$\$ AMT>> Demolition Cost;
 - c. \$<<\$\$\$ AMT>> Increased Construction Cost;
 - d. \$<<\$\$\$ AMT>> Operation of Building Laws;
 - e. \$<<\$\$\$ AMT>> on covered **personal property** in the custody of salespeople;
 - f. \$<<\$\$\$ AMT>> **Transit**;
 - g. \$<<\$\$\$ AMT>> at each **unscheduled location**.
5. The sublimits of liability for the Optional Extensions of Coverage do not increase and are not in addition to any other applicable **limits of liability**.
-

Equipment
Breakdown
Coverage

- E. Equipment Breakdown Coverage
1. Equipment Breakdown is subject to the **limit of liability** shown on the Schedule of the DECLARATIONS, Form PK 10 00, except as sublimited or excluded below.
- | | |
|--------------------------|------------------------------------|
| \$<<AMT OR NO COVERAGE>> | Loss of business income ; |
| \$<<AMT OR NO COVERAGE>> | Extra expense ; |
| \$<<AMT OR NO COVERAGE>> | Expediting Expenses; |
| \$<<AMT OR NO COVERAGE>> | Hazardous Substance ; |
| \$<<AMT OR NO COVERAGE>> | Spoilage; |
| \$<<AMT OR NO COVERAGE>> | Data Processing Equipment ; |
| \$<<AMT OR NO COVERAGE>> | Data Restoration; |
| \$<<AMT OR NO COVERAGE>> | Service Interruption. |
2. The sublimits of liability for equipment breakdown coverage do not increase and are not in addition to any other applicable **limits of liability**.
-

Deductible and
Waiting Period

- F. Deductible and Waiting Period
1. **Your** deductible for this Commercial Property policy will be according to the terms of the following paragraphs marked with an (X), except as indicated on any other forms or endorsements attached to this Commercial Property policy.

Deductible and
Waiting Period
(continued)

- a. (<<X/SPACE>>) \$<<AMT>> **We will not pay unless a covered loss from any one (1) occurrence or any one (1) accident exceeds the amount shown. We will then pay for the excess, up to any other applicable limit of liability.**
- b. (<<X/SPACE>>) See Additional Deductibles and Waiting Periods, Form PK 03 01.
2. **Your deductible and waiting period as shown in 1. above applies to your equipment breakdown coverage, unless otherwise shown below and marked with an (X) in items a. or b.**

- a. If **you** have a combined deductible, **we** will not pay unless a covered equipment breakdown loss from any one (1) **accident** is more than:

(<<X/SPACE>>) \$<<AMT>> for loss to covered **object(s)**, loss of **business income**, and **extra expense**;

and then only for the excess; or

- b. If **you** have more than one (1) coverage deductible shown below, **we** will not pay unless a covered equipment breakdown loss from any one (1) **accident** is more than:

(<<X/SPACE>>) \$<<AMT>> for loss to covered **object(s)**;

(<<X/SPACE>>) \$<<AMT>> for loss of **business income** and **extra expense**;

(<<X/SPACE>>) <<AMT>>times the **average daily value** of loss of **business income** and **extra expense** during the **period of restoration**;

(<<X/SPACE>>) <<AMT>>hours immediately following the **accident** for loss of **business income** and **extra expense** during the **period of restoration**;

(<<X/SPACE>>) \$<<AMT>> for loss of spoilage;

and then only for the excess.

If a **covered loss** involves two (2) or more deductibles, **we** will only use the largest of the applicable deductibles unless otherwise provided in this Commercial Property policy or any endorsement, except that we will apply any deductible(s) marked with an asterisk (*) in addition to the largest of any other applicable deductibles.

Schedule

No.	Location or Sub location	Coverage	Limit of Liability
<<#>>	<<LOCATION>>	<<COVERAGE>>	<<\$\$\$ AMT>>

COVERAGES

Real Property

- A.** If coverage for **real property** is provided as shown in **B.** Coverages of the DECLARATIONS, Form PK 10 00, **we** will pay for **covered loss to your real property** at or within one-thousand (1,000) feet of a **covered location**.
-

Personal Property

- B.** If coverage for **personal property** is provided as shown in **B.** Coverages of the DECLARATIONS, Form PK 10 00, **we** will pay for **covered loss to your personal property**, including **personal property of others** and **valuable papers and records**, at or within one-thousand (1,000) feet of a **covered location**.
-

Business Income

- C.** If coverage for loss of **business income** is provided as shown in **B.** Coverages of the DECLARATIONS, Form PK 10 00, **we** will pay for:
- 1.** The actual loss of **business income you** incur during a **period of restoration** directly resulting from damage by a **peril insured against** to the type of property covered by this Commercial Property policy at a **covered location**.
 - 2.** The necessary expenses **you** incur in excess of **your** normal operating expenses that reduces **your** loss of **business income**. **We** will not pay more than **we** would pay if **you** had been unable to make up lost production or continue operations or services.
 - 3.** The actual loss of **business income you** incur if **you** are denied access to a **covered location** by order of civil or military authority if:
 - a.** The order results from a **covered loss**; or
 - b.** The order results from damage by a **peril insured against** to the type of property covered by this Commercial Property policy within one (1) statute mile of a **covered location**.

This coverage will apply for a period not to exceed twenty-one (21) consecutive days from the date of the order.

- 4.** The actual loss of **business income you** incur if **your** ingress to or egress from a **covered location** is prevented as the direct result of a **peril insured against** to the type of property covered by this Commercial Property policy within one (1) statute mile of a **covered location**.

This coverage will apply for a period not to exceed twenty-one (21) consecutive days from the date **your** ingress or egress is first prevented.

- 5.** In determining the actual loss of **business income**, consideration must be given to:

Business Income
(continued)

- a. The experience of the business before the loss and the probable experience after the loss;
 - b. The continuation of only those normal charges and expenses that would have been incurred had no interruption of production or suspension of business operations or services happened;
 - c. The demonstration of an actual loss of sales, income or rental income; and
 - d. Any amount recovered under property damage coverages, at selling price, for loss or damage to merchandise that will be considered to have been sold.
6. **We** will not pay unless **you** are wholly or partially prevented from:
- a. Producing goods; or
 - b. Continuing business operations or services.
7. **You** are required to mitigate **your** loss by:
- a. Making up lost production within a reasonable period of time not limited to the **period of restoration**.
 - b. Continuing business operations or services during the **period of restoration**.
 - c. Using any property or service:
 - (1) Owned or controlled by **you**; or
 - (2) Obtainable from any other sources.
 - d. Working extra time or overtime.
 - e. Using inventory.
- We** will not pay for any loss to the extent it can be reduced through these or any other means whether at a **covered location** or any other location.
8. **We** will not pay for:
- a. Any loss during any idle period. Idle period includes, but is not limited to, any period when production, operation or service would cease or be prevented due to:
 - (1) Physical damage not insured under this Commercial Property policy on or away from the **covered location**;
 - (2) Planned or rescheduled shutdown or maintenance;

Business Income
(continued)

- (3) Strikes or other work stoppage; or
 - (4) Any reason other than a **covered loss**.
 - b. Any increase in loss due to:
 - (1) Suspension, cancellation or lapse of any lease, contract, license or order.
 - (2) Fines or damage for breach of contract for late or non-completion of orders, or for penalties of any nature.
 - c. Any consequential, indirect or remote loss.
 - d. Any loss resulting from damage to:
 - (1) Finished goods manufactured by **you**, nor for the time required for their reproduction.
 - (2) Property in **transit**.
 - e. Any loss or expense recoverable elsewhere in this Commercial Property policy.
9. The most **we** will pay for a loss under this coverage is the lesser of:
- a. **Your** actual loss of **business income** and necessary expense; or
 - b. The applicable **limit of liability** shown on the Schedule of the DECLARATIONS, Form PK 10 00, or any endorsements to this Commercial Property policy.

Extra Expense

- D. If coverage for **extra expense** is provided as shown in **B**. Coverages of the DECLARATIONS, Form PK 10 00, **we** will pay for:
- 1. The actual **extra expense you** incur during a **period of restoration** directly resulting from damage by a **peril insured against** to the type of property covered by this Commercial Property policy at a **covered location**.
 - 2. The actual **extra expense you** incur, if **you** are denied access to a **covered location** by order of civil or military authority if:
 - a. The order results from a **covered loss**; or
 - b. The order results from damage by a **peril insured against** to the type of property covered by this Commercial Property policy within one (1) statute mile of a **covered location**.

This coverage will apply for a period not to exceed twenty-one (21) consecutive days from the date of the order.

Extra Expense
(continued)

3. We will not pay for:
 - a. Loss of **business income**.
 - b. Costs which would have been incurred in conducting **your** business during the same period had no **covered loss** happened.
 - c. The cost of permanent repair or replacement of property that has been damaged or destroyed.
 - d. Any loss during any idle period. Idle period includes, but is not limited to, any period when production, operation or service would cease or be prevented due to:
 - (1) Physical damage not insured under this Commercial Property policy on or away from the **covered location**;
 - (2) Planned or rescheduled shutdown or maintenance;
 - (3) Strikes or other work stoppage; or
 - (4) Any reason other than a **covered loss**.
 - e. Any increase in loss due to:
 - (1) Suspension, cancellation or lapse of any lease, contract, license or order.
 - (2) Fines or damage for breach of contract for late or non-completion of orders, or for penalties of any nature.
 - f. Any consequential, indirect or remote loss.
 - g. Any loss resulting from damage to:
 - (1) Finished goods manufactured by **you**, nor for the time required for their reproduction.
 - (2) Property in **transit**.
 - h. Any loss or expense recoverable elsewhere in this Commercial Property policy.
4. The most **we** will pay for a loss under this coverage is the lesser of:
 - a. **Your** actual **extra expense**; or
 - b. The applicable **limit of liability** shown on the Schedule of the DECLARATIONS, Form PK 10 00, or any endorsements to this Commercial Property policy.

Equipment Breakdown

- E.** If coverage for equipment breakdown is provided as shown in **B.** Coverages of the DECLARATIONS, Form PK 10 00:
1. Items **B.8.**, **B.9.**, **B.10.** and **B.11.** in EXCLUSIONS, Form PK 10 03, do not apply to an **accident** to covered **object(s)**.
 2. **We** will pay for the direct expense **you** actually expend to dry out electrical **objects** that results from:
 - a. **Flood**;
 - b. Water that backs up or overflows from a sewer, drain or sump; or
 - c. Mudflow or mudslide.

Our payment to **you** will:

 - a. Be subject to the applicable direct damage **limit of liability** and deductible as shown in Items **E.** and **F.** of the DECLARATIONS, Form PK 10 00, for damage to covered **object(s)**; and
 - b. Not exceed the value of the damaged **object(s)**.
 3. Unless otherwise provided in this Commercial Property Policy, **we** will not pay for any physical loss or damage from the lack of power, light, heat, steam or refrigeration.
 4. Environmental, Safety and Efficiency Improvements

If an **object** requires replacement due to an **accident**, **we** will pay **your** additional cost to replace with equipment that is better for the environment, safer or more efficient than the equipment being replaced.

However, **we** will not pay more than 125% of what the cost would have been to repair or replace with like kind and quality. This extension does not increase any of the applicable limits. This extension does not apply to any property subject to valuation based on **actual cash value**.
 5. In the event of an **accident** to a covered **object(s)**, the coverage provided by this Commercial Property policy is extended as follows:
 - a. Expediting Expenses

We will pay up to the sublimit of liability, if shown in Item **E.1.** on the DECLARATIONS, Form PK 10 00, for the reasonable extra costs of temporary repair to property or of expediting the permanent repair or permanent replacement of the property, whichever is less.

We will not cover expenses for temporary rental of property or temporary replacement of damaged property under this extension of coverage.

b. Hazardous Substance

We will pay up to the sublimit of liability, if shown in Item **E.1.** on the DECLARATIONS, Form PK 10 00, for expenses incurred, beyond those for which **we** would have been liable if no **hazardous substance** had been involved, to clean up, repair, replace or dispose of property that is damaged, contaminated or polluted by a **hazardous substance**. The damage, contamination or **pollution** must result from an **accident** to an **object**.

c. Spoilage

We will pay up to the sublimit of liability, if shown in Item **E.1.** on the DECLARATIONS, Form PK 10 00, for:

(1) Physical damage to **perishable goods** due to spoilage, including spoilage that results from an **accident** to an **object** of the type insured by this Commercial Property policy that is owned by a utility, landlord or other supplier with whom **you** have a contract to supply **you** with any of the following services: electrical power, sewer, air conditioning, refrigeration, heating, fuel water, steam and telecommunications; but only if the failure or disruption of service exceeds twenty-four (24) hours immediately following the **accident**.

(2) Physical damage to **perishable goods** due to contamination from the release of refrigerant, including but not limited to ammonia.

d. Data Processing Equipment

We will pay up to the sublimit of liability, if shown in Item **E.1.** on the DECLARATIONS, Form PK 10 00, for loss or damage to **data processing equipment**, including **media** used in conjunction with such equipment. **Data processing equipment** used primarily to control or operate **objects** are not subject to this limit.

e. Data Restoration

We will pay up to the sublimit of liability, if shown in Item **E.1.** on the DECLARATIONS, Form PK 10 00, for **your** reasonable and necessary cost to research, replace and restore lost **data**.

f. Service Interruption

We will pay up to the sublimit of liability, if shown in Item **E.1.** on the DECLARATIONS, Form PK 10 00, for **your** loss of **business income**, **extra expense** resulting from an **accident** to an **object** of the type insured by this Commercial Property policy that is owned by a utility, landlord or other supplier with whom **you** have a contract to supply **you** with any of the following services: electrical power, sewer, air conditioning, refrigeration, heating, fuel water, steam and telecommunications. The equipment must meet the definition of **object** except that it is not **covered property**.

*Equipment Breakdown
(continued)*

Service Interruption coverage will not apply unless the failure or disruption of service exceeds twenty-four (24) hours immediately following the **accident**.

6. With respect to this coverage, **we** will not pay for an **accident** caused by or resulting from: fire; lightning; **wind** or **hail**; explosion (except for explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by **you**, or operated under **your** control); smoke; aircraft or **vehicles**; riot or civil commotion; vandalism; sprinkler leakage; falling **objects**; weight of snow, ice or sleet; freezing; collapse; **flood** or **earth movement**.
7. Item **A.5. Fungus, Bacteria, Wet or Dry Rot, Decay** of EXCLUSIONS, Form PK 10 03, is modified to add **accident** as a covered ensuing peril.
8. Item **A.12. Computer Virus and Denial of Access** of EXCLUSIONS, Form PK 10 03, is modified to add **accident** as a covered ensuing peril.

EXTENSIONS OF COVERAGE

The sublimits of liability, rewards or other amounts payable under these standard and optional extensions of coverage do not increase and are not in addition to any other applicable **limit of liability**.

Standard Extensions of Coverage

A. Standard Extensions of Coverage

In the event of a **covered loss**, the coverage provided by this Commercial Property policy is extended as follows:

Arson Reward

1. Arson Reward

a. In the event a covered fire loss to **your covered property** is of a suspicious nature, **we** will pay a reward to an individual or individuals who report the identity of any suspected arsonist to law enforcement officials, provided that the suspected arsonist is apprehended; and

(1) Brought to trial and convicted of; or

(2) Confesses and pleads guilty to;

the arson fire of **your covered property**.

b. **We** will pay up to \$50,000 for an arson reward. This amount is not increased by the number of **covered losses**, the number of individuals reporting an arsonist involved in the loss or, if more than one arsonist, the number of arsonists involved in the loss.

Computer Virus and Denial of Access

2. Computer Virus and Denial of Access

We will pay up to \$25,000 for loss or damage to, or any cost, claim or expense caused by or resulting directly or indirectly from any of the following, regardless of any other cause or event that contributes to the loss, damage, cost, claim or expense at the same time or in any sequence:

a. The introduction of a malicious code, program, virus, worm, Trojan Horse program, macro time or logic bomb or similar unauthorized instruction which is designed or intended to damage, corrupt, destroy, distort, or delete any part of the system or disrupt its normal operation, into any of the following, whether owned by **you** or others:

(1) **Data processing equipment, software, data, or media;**

(2) Information repository;

(3) Hardware or **software** based computer operating systems;

Computer Virus
and Denial of Access
(continued)

- (4) Microprocessors;
 - (5) Integrated circuits;
 - (6) Computer networks;
 - (7) Website service; or
 - (8) Any other electronic equipment, computerized equipment or similar device.
- b. A change in the functionality, availability, operation, use of accessibility to or operation of any of the items described in **a.(1) - (8)** above.
 - c. This extension of coverage does not apply to coverage for equipment breakdown.
-

Course of Construction

3. Course of Construction

- a. **We** will pay up to a **limit of liability** of \$250,000 for direct physical loss or damage to **real property** of the type insured by this Commercial Property policy, including new additions and buildings at an existing covered location, that **you** begin to construct during the **policy period**.
 - (1) This coverage only applies for sixty (60) days from the date **you** begin construction.
 - (2) To continue this coverage beyond the sixty (60) days, **you** must:
 - (a) Report newly constructed **real property** to **us** prior to the end of that sixty (60) day period; and
 - (b) Pay premium from the date **you** begin construction.
- b. **We** will also pay under this extension of coverage for materials, supplies, machinery, equipment and fixtures that are:
 - (1) Intended by **you** for use in construction; and
 - (2) Located on the construction site awaiting use in construction.
- c. This coverage only applies to the construction of **real property you** intend to own or occupy once constructed.
- d. However, there is no coverage under this extension for:
 - (1) **Personal property of others**; or
 - (2) Loss or damage caused by or resulting, directly or indirectly, from collapse that occurs during the course of the construction, remodeling or renovation.

Debris Removal Expense

4. Debris Removal Expense

We will pay for the expense to remove the debris from a **covered loss**. **We** will only pay these expenses if **we** receive immediate written notice of the **covered loss** and if these expenses are reported to **us** in writing within one-hundred-eighty (180) days of the date of the **covered loss**.

- a. Debris removal expense is limited to a sublimit of liability of \$50,000.
- b. **We** will pay up to \$25,000 for expenses to remove from a **covered location**, windblown debris of property not covered by this Commercial Property policy.
- c. Debris removal expense does not include any costs to clean up or remove **pollutants, fungus, bacteria, wet or dry rot or decay**.

Duty to Defend

5. Duty to Defend

We will defend that part of any suit against **you** involving **personal property of others** when all of the following conditions exist:

- a. The suit seeks payment for physical loss or damage to the **personal property of others**;
- b. The physical loss or damage is caused by a **peril insured against**;
- c. The physical loss or damage takes place while the **personal property of others** is in **your** custody; and
- d. The **personal property of others** is the type of property covered by this Commercial Property policy.

We will do so even if such suit is groundless, false or fraudulent, but **we** may, without prejudice, make such investigation, negotiation and settlement of any claim or suit, as **we** deem appropriate.

*Exhibitions, Expositions,
Fairs or Trade Shows*

6. Exhibitions, Expositions, Fairs or Trade Shows

We will pay up to \$50,000 for loss or damage to **your personal property** while at exhibitions, expositions, fairs or trade shows.

Coverage also applies while **your** covered **personal property** is in the due course of **transit** between a **covered location** and the location of the exhibition, exposition, fair or trade show.

**Extended Period
of Restoration**

7. Extended Period of Restoration

- a. If loss of **business income** coverage is provided, **we** will pay the actual loss of **business income you** sustain due to a reduction in sales, earnings or rental income that directly results from direct physical loss or damage to **your covered property** by a **peril insured against**, for the additional time required, when **you** use reasonable speed, to restore **your** business to the condition it would have been in if no loss had occurred. This additional time starts with the time when the **period of restoration** would end, and continues for no more than ninety (90) consecutive days immediately following the **period of restoration**.
- b. This extension of coverage does not apply if **you** elect not to either repair or replace **your covered property**, or to resume the operation of **your** business. For purposes of this extension of coverage, the exclusions and restrictions in this Commercial Property policy regarding loss of market do not apply to any claim made under this extension of coverage.

**Paved Surfaces
and Underground Pipes**

8. We will pay up to a sublimit of \$50,000 for the direct physical loss or damage caused by a **peril insured against** for:

- a. Roadways, walks, patios or other paved surfaces; or
- b. Underground pipes, flues or drains.

Fungus Cleanup Expense

9. Fungus Cleanup Expense

- a. If **fungus** results from a **covered loss** due to fire or lightning, **we** will pay up to the applicable **limit of liability** for the cost and expense:
 - (1) To remove **fungus** from **covered property** at a **covered location**;
 - (2) To repair or replace any undamaged portion of **covered property** at a **covered location** that must be removed to gain access to **fungus** in order to remove it; and
 - (3) To test for the presence of **fungus** on **covered property** at a **covered location** after **fungus** has been removed as provided by this extension.
- b. If **fungus** results from a **covered loss** due to a **peril insured against** other than fire or lightning, **we** will pay up to \$50,000 for the costs and expenses outlined in **a.(1) – (3)** above.
- c. In order for this extension of coverage to apply, **we** must receive immediate written notice of the **covered loss**, and these costs and expenses must be reported to **us** in writing within one-hundred-eighty (180) days of the date of the **covered loss**.

Fungus Cleanup Expense
(continued)

- d. The removal and testing for **fungus** does not include any costs to remove **pollutants**.
-

Personal Property
of Employees

10. Personal Property of Employees

We will pay up to a sublimit of \$50,000 for loss or damage by a **peril insured against** to the **personal property** (other than **vehicles**) of **your** employees when such property is at a **covered location** or being used by the employee in the course of employment. **We** will not pay for any loss or damage to such property that occurs at the employee's residence.

Personal Property
Off Premise

11. Personal Property Off Premise

- a. **We** will pay up to a sublimit of \$100,000 for direct physical loss or damage by a **peril insured against** to **your personal property** while it is temporarily away from a **covered location** for up to sixty (60) days.
 - b. This extension does not apply to:
 - (1) Loss or damage by theft from a **vehicle** unless:
 - (a) The **vehicle** is equipped with a fully enclosed body or compartment;
 - (b) The doors, windows and hatches are securely locked; and
 - (c) There are visible signs of forced entry to the **vehicle**.
 - (2) Property in **transit**.
 - (3) **Personal property** in the custody of salespeople.
-

Plants, Trees or Shrubs

12. Plants, Trees or Shrubs

We will pay up to a sublimit of \$100,000, but not more than \$5,000 for any one plant, tree or shrub, for a **covered loss** to plants, trees and shrubs. However, loss or damage caused by freezing, disease or drought is excluded.

Pollution Cleanup
Expense

13. Pollution Cleanup Expense

- a. **We** will pay to remove **pollutants** from **covered property** at a **covered location** if the **pollution** results from a **specified peril**, subject to the applicable **limit of liability**.
- b. **We** will pay up to an annual aggregate **limit of liability** of \$25,000 to remove **pollutants** from **covered property** at a **covered location**, if the **pollution** results from a **peril insured against** other than a **specified peril**.

**Pollution Cleanup
Expense**
(continued)

- c. If **pollution** results from a **peril insured against**, **we** will pay up to an annual aggregate **limit of liability** of \$25,000:
- (1) To remove **pollutants** from land, soil, surface or ground water upon, within, beneath or comprising a **covered location**; or
 - (2) For testing performed in the course of extracting the **pollutants** from **covered locations**.

We will pay for removal or testing after a **covered loss** that occurs during the **policy period**.

We will only pay these expenses if **we** receive immediate written notice of the **covered loss** and if these expenses are reported to **us** in writing within one-hundred-eighty (180) days of the date of the **covered loss**.

Professional Fees

14. Professional Fees

- a. **We** will pay up to \$25,000 for the reasonable costs **you** incur for auditors, architects, accountants and engineers who undertake to accurately determine the details of **your** business in order to determine the extent of a **covered loss**.
- b. Professional fees do not include:
- (1) Any fees or expenses of attorneys;
 - (2) Any fees or expenses of public adjusters or any of their subsidiaries or associated entities;
 - (3) Fees based on a contingency; or
 - (4) The cost of **your** own employees.

Removal

15. Removal

- a. **We** will pay the actual costs or expenses **you** incur:
- (1) To remove **covered property** from locations endangered by a **peril insured against**; and
 - (2) To return the **covered property** to the original location it had been removed from once the danger by a **peril insured against** has ended.
- b. When **covered property** has been removed for this reason, it will be insured against loss or damage from a **peril insured against** at the temporary location according to the following terms:

Removal
(continued)

- (1) For up to ninety (90) consecutive days at each place to which the property has been taken for preservation;
- (2) The applicable **limit of liability** will apply to each temporary location on a pro rata basis, based on the value **your covered property** stored at that location bears to the total value of **covered property** originally insured at the endangered location.

Water or Sewer Backup

16. Water or Sewer Backup

We will pay up to a sublimit of \$100,000 for direct physical loss or damage to **covered property** at a **covered location** caused by:

- a. Water that backs up or overflows from a sewer, drain or sump; or
- b. Water under the ground surface pressing on, or flowing or seeping through:
 - (1) Foundations, walls, floors or paved surfaces;
 - (2) Basements, whether paved or not; or
 - (3) Doors, windows or other openings.

However, this extension does not apply to water or sewer backup caused directly or indirectly by **flood** unless otherwise covered by endorsement.

Optional Extensions
of Coverage

B. Optional Extensions of Coverage

These extensions of coverage apply only if the applicable sublimit of liability is shown in Item **D. Optional Extensions of Coverage – Sublimits of Liability** of the DECLARATIONS, Form PK 10 00.

New Locations

1. New Locations

- a. **New locations** are insured for coverages marked with an (X) in Item **B. Coverages** of the DECLARATIONS, Form PK 10 00, and coverages provided by endorsement for the period of time specified in Item **D.4.** of the DECLARATIONS, Form PK 10 00.
- b. To continue this coverage beyond the time frame specified, **you** must:
 - (1) Report **new locations** to **us** prior to the end of the period specified on the DECLARATIONS, Form PK 10 00; and
 - (2) Pay premium from the date **you** purchase or rent these **new locations**.

*Operation of Building
Laws, Demolition Cost
and Increased
Construction Cost*

2. Operation of Building Laws, Demolition Cost and Increased Construction Cost

a. In the event of a covered loss, we will pay:

(1) Operation of Building Laws

The cost **you** incur to rebuild at the same location any undamaged part of **your real property** that is required by law to be demolished after a **covered loss**, excluding any costs associated with demolition. **We** will only pay the costs to satisfy the minimum requirements of the applicable law or ordinance that exists at the time of the loss.

(2) Demolition Cost

The cost incurred to demolish all or part of **your covered real property**, including the cost to clear the site, if any law or ordinance that exists at the time of loss requires such demolition.

(3) Increased Construction Cost

The increased cost **you** incur for materials and labor required to rebuild the damaged portion of **your real property** at the same location and in a manner that satisfies the minimum requirements of the applicable law or ordinance existing at the time of the loss.

b. We will not pay for any of these costs:

(1) Unless they are incurred within two (2) years from the date of loss.

(2) If they are incurred due to any law or ordinance that:

(a) **You** were required to comply with before the loss, even if the building was undamaged; and

(b) **You** failed to comply with.

(3) If they are associated with any demolition, abatement, removal, cleanup, debris removal, repair, monitoring or testing, increased cost of repair or other cost resulting from enforcement of any such law or ordinance which relates to **pollution, fungus, bacteria, wet or dry rot or decay.**

Salespeople

3. Salespeople

a. We will pay for **your** covered **personal property** in the custody of salespeople.

b. Coverage does not apply to loss or damage by theft from the salesperson's **vehicle** unless:

*Salespeople
(continued)*

- (1) The **vehicle** is equipped with a fully enclosed body or compartment;
 - (2) The doors, windows and hatches are securely locked; and
 - (3) There are visible signs of forced entry to the **vehicle**.
-

Transit

4. Transit

We will pay for **your** covered **personal property** while in **transit**.

This extension of coverage also applies to **personal property of others** while in **transit at your** risk, but does not apply if **you** are acting as a common or contract carrier.

Unscheduled Locations

5. Unscheduled Locations

Unscheduled locations are insured for coverages marked with an (X) in Item **B**. Coverages of the DECLARATIONS, Form PK 10 00, and coverages provided by endorsement.

EXCLUSIONS

Group A Exclusions

A. Group A Exclusions

We will not pay for loss or damage caused by or resulting from any of the following, regardless of any other cause or event, including a **peril insured against**, that contributes to the loss at the same time or in any other sequence:

War and Military Action

1. Loss attributable to:

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

whether or not involving the use of any chemical, biological or nuclear substance.

Earth Movement

2. Earth movement, whether sudden or gradual

- a.** If a loss to **covered property** by fire, theft or explosion ensues, **we** will pay for that loss.
 - b.** This exclusion does not apply to **covered property in transit**.
 - c.** This exclusion does not apply to **sinkhole collapse** or **volcanic activity**.
-

Flood

3. Flood

- a.** If a loss to **covered property** by fire, theft or explosion ensues, **we** will pay for that loss.
 - b.** This exclusion does not apply to **covered property in transit**.
-

Water or Sewer Backup

4. Water or Sewer Backup

- a.** Water that backs up or overflows from a sewer, drain or sump; or

*Water or Sewer Backup
(continued)*

b. Water under the ground surface pressing on, or flowing or seeping through:

(1) Foundations, walls, floors or paved surfaces;

(2) Basements, whether paved or not; or

(3) Doors, windows or other openings.

But if water, as described in **a.** and **b.** above, results in fire, explosion or sprinkler leakage, **we** will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

Fungus

5. Fungus, bacteria, wet or dry rot, decay

If a loss to **covered property** from a **specified peril** ensues, **we** will pay for that loss.

Virus

6. The actual or suspected presence or threat of any virus, organism or like substance that is capable of inducing disease, illness, physical distress or death whether infectious or otherwise, including but not limited to any epidemic, pandemic, influenza, plague, SARS or Avian Flu.

Pollution

7. Pollution

*Operation of Building Laws,
Demolition Cost and
Increased Cost of
Construction*

8. Operation of building laws, demolition cost and increased cost of construction including the enforcement of any ordinance or law regulating the use, construction, repair or demolition of buildings or structures.

*Seizure or Destruction
By Government Order*

9. Seizure or destruction of **covered property** by government order

We will pay for loss to **covered property** resulting from acts of destruction ordered by government to prevent the spread of fire.

Nuclear Hazard

10. Nuclear reaction or nuclear radiation or radioactive contamination

If a loss to **covered property** by fire ensues, **we** will pay for that loss unless otherwise limited or excluded elsewhere in this Commercial Property policy, including any limits or exclusions applicable to terrorism.

Utility Interruption

- 11.** Interference with or interruption of any public or private utility or any entity providing electrical, heating, air conditioning, refrigeration, telecommunication, steam, water, sewer or fuel service or any other service, if the failure occurs away from the **covered location**.

If a **covered loss** ensues, **we** will pay for that loss.

*Computer Virus
and Denial of Access*

- 12.** Loss attributable to:

- a.** The introduction of a malicious code, program, virus, worm, Trojan Horse program, macro time or logic bomb or similar unauthorized instruction which is designed or intended to damage, corrupt, destroy, distort or delete any part of the system or disrupt its normal operation, into any of the following, whether owned by **you** or others:
- (1) Data processing equipment, software, data or media;**
 - (2) Information repository;**
 - (3) Hardware or software based computer operating systems;**
 - (4) Microprocessors;**
 - (5) Integrated circuits;**
 - (6) Computer networks;**
 - (7) Website services; or**
 - (8) Any other electronic equipment, computerized equipment or similar device.**
- b.** Programming, operation or operator error of any of the items described in **12.a.(1) - (8)** above.
- c.** Incompatibility, or the inability to properly interface between any of the items described in **12.a.(1) - (8)** above.
- d.** A change in the functionality, availability, operation, use of, accessibility to or operation of any of the items described in **12.a.(1) - (8)** above.
- e.** Inability, failure or malfunction of the items as described in **12.a.(1) - (8)** above, or any services, functions or products that use or rely upon in any manner one (1) or more of the items as described **12.a.(1) - (8)** above to correctly recognize, distinguish, interpret, process, provide or accept **data** or one (1) or more dates or times.
- f.** Advice, consultation, evaluation, design, inspection, installation, repair, replacement or maintenance done by **you** or for **you** to determine or correct any conditions or problems described by in **12.a. – e.** above.

*Computer Virus
and Denial of Access
(continued)*

If loss to **covered property** by any of the following perils ensues, **we** will pay for that loss:

- a. Fire;
- b. Explosion; or
- c. Leakage or accidental discharge from automatic fire protection system.

However, **we** will not pay for modification, repair or replacement of systems or devices described in **12.a.(1) - (8)** above in order to correct any potential or actual deficiencies or to change any features.

Group B Exclusions

B. Group B Exclusions

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

Mysterious Disappearance

1. Unexplained or mysterious disappearance of any property.

Inventory Shortage

2. Shortage of property discovered on taking inventory.

Employee Theft

3. Theft by employees, whether acting alone or with others.

Criminal Acts

4. Any criminal, fraudulent or dishonest acts committed alone or in collusion with others:
- a. By **you**;
 - b. By any of **your** associates, proprietors, partners, directors, trustees, officers, agents, employees or representatives; or
 - c. By any person or entity to whom **you** or any of **your** associates, proprietors, partners, directors, trustees, officers, agents, employees or representatives voluntarily relinquishes possession of **covered property** with or without **your** authority.

Damage to Stock

5. Manufacturing or processing operations, which result in damage to stock or materials, while the stock or materials are being processed, manufactured, worked on or tested.

If a **covered loss** ensues, **we** will pay for that loss.

Loss of Market

6. Delay, loss of market, loss of use, indirect or remote loss or damage.
-

Loss Attributable To

7. Loss attributable to:
- a. Wear and tear, deterioration, depletion, erosion, rust, corrosion;
 - b. Inherent vice, latent defect, or any quality in the **covered property** that causes it to damage or destroy itself;
 - c. Smog, acid rain, agricultural smudging;
 - d. Smoke, fumes, gas or vapor that result from industrial operations;
 - e. Settling, cracking, shrinking, bulging or expansion of pavements, foundations, walls, floors, roofs or ceilings, retaining walls or outdoor swimming pools;
 - f. Animals, birds, vermin, rodents or insects;
 - g. Change or extremes in temperature or humidity, whether atmospheric or not, except damage to equipment; or
 - h. Contamination, shrinkage, change in taste, texture, finish or color.

If a **covered loss** ensues, **we** will pay for that loss.

Equipment Breakdown

8. Failure or breakdown of machinery or equipment, including rupture or bursting caused by centrifugal force.

If a **covered loss** ensues, **we** will pay for that loss.

This exclusion will not apply to physical loss to:

Data, data processing equipment or software.

Explosion

9. Explosion of the following:
- a. Steam boilers;
 - b. Steam turbines, steam engines, steam piping, electric steam generators;
or
 - c. Gas turbines.

If a loss to **covered property** by fire or explosion ensues, **we** will pay for that loss.

*Rupture, Bursting, Cracking,
Burning or Bulging*

10. Rupture, bursting, cracking, burning or bulging of the following:

- a. Steam boilers;
- b. Steam turbines, steam engines, steam piping, electric steam generators;
- c. Hot water boilers or other equipment for heating water;
- d. Pressure vessels; or
- e. Gas turbines.

If a loss to **covered property** by fire or explosion ensues, **we** will pay for that loss.

Electrical Disturbance

11. Any electrical injury or disturbance to electrical appliances, devices, fixtures, wiring or other electrical or electronic equipment caused by electrical currents artificially generated.

If a fire or an explosion loss ensues, **we** will pay for that loss.

This exclusion will not apply to physical loss to:

- a. **Data or software** caused by injury, disturbance or erasure resulting from electricity or magnetic fields; or
- b. **Data processing equipment** caused by short circuit, blowout or other electrical damage.

*Faulty, Defective
or Inadequate*

12. Loss attributable to faulty, defective or inadequate:

- a. Construction, workmanship or material;
- b. Maintenance;
- c. Design, plan or specification;
- d. Developing, surveying or siting of buildings or structures during the course of construction or alterations.

If a **covered loss** ensues, **we** will pay for that loss.

Failure to Act

13. Acts or decisions, including the failure to act or decide, of any governmental employee, agent, group, organization, agency or body.

If a **covered loss** ensues, **we** will pay for that loss.

PROPERTY NOT COVERED

Property Not Covered

We do not cover loss to:

- A.** Animals;
- B.** Water, land (including land on which **covered property** is located), lawns, growing crops or standing timber;
- C.** Aircraft or **vehicles**;
- D. Mobile equipment or tools** while away from a **covered location**;
- E.** Property **you** sold under conditional sale, trust agreement, installment payment or other deferred payment plan after such property has been delivered to the customer;
- F.** Caves, caverns, mines of any type or any property contained within them;
- G.** Currency, money, securities and negotiable instruments of any kind;
- H.** Dams, dikes, levees;
- I.** Bridges or tunnels, however, pedestrian walkways connecting buildings are covered;
- J.** Bulkheads, pilings, piers, wharves, docks, seawalls or jetties;
- K.** Contraband, or property in the course of illegal transportation or trade;
- L.** Property insured under import or export ocean cargo policies;
- M.** Property **you** transport as a common or contract carrier;
- N.** Property shipped by mail, unless sent registered or certified;
- O.** Furs, **fine arts** or jewelry;
- P.** Precious metal or precious stones, except when used in industrial operations;
- Q.** Watercraft, except watercraft that is part of **your** inventory while being stored un-fueled and on dry land at a **covered location**.

VALUATIONS

Replacement Cost

A. Replacement Cost

1. Loss or damage to **covered property** will be valued at **replacement cost** at the time and place of the loss, unless otherwise indicated in **B.** or **C.** below or by other forms or endorsements attached to this Commercial Property policy.
2. **We** will not pay **replacement cost** until the lost or damaged property is actually repaired or replaced. If repairs or replacement are not made within two (2) years after the date of the physical loss, **we** will pay only the **actual cash value** amount.
 - a. **Our** obligations for **replacement cost** will be the smaller of:
 - (1) The cost to repair the damaged property;
 - (2) The cost to replace or rebuild with new materials of like size, kind and quality;
 - (3) The selling price of **your real property** and **personal property**, other than stock, that is offered for sale, less all saved expenses;
 - (4) The amount of **your** legal liability to the owner of **personal property of others**; or
 - (5) The applicable **limit of liability**.
 - b. **We** will not pay for any increase in cost due to **your** failure to use reasonable speed to repair, rebuild or replace the damaged property.
 - c. If the replacement occurs at another location, **we** will not pay for the cost of land at either the original or the **new location**.

Actual Cash Value

B. Actual Cash Value

Loss or damage to these types of **covered property** will be valued at **actual cash value** at the time and place of the loss:

1. Manuscripts; and
2. **Mobile equipment or tools**, other than forklifts, while at a **covered location**.

C. Other Valuations

1. Loss or damage to these types of **covered property** will be valued at the time and place of loss as the lesser of the cost to repair, or as follows:

- a. Stock in process

The value of raw materials and labor expended plus the proper proportion of overhead charges.

- b. Finished goods manufactured by **you**

The regular cash selling price at the location where the loss happens, less all discounts and charges to which the merchandise would have been subject had no loss occurred.

- c. Stock manufactured by others

Will be valued at **replacement cost** at the time and place of loss.

2. Loss or damage to these types of **covered property** will be valued at the time and place of loss as follows:

- a. **Valuable papers and records**

The value of the blank document plus the cost of copying from backup or from originals of a previous generation. **We** will not pay for any other cost, including research, engineering or other cost, of restoring or recreating information lost.

- b. **Media, data**, programs or any **software** stored on electronic, electromechanical, electromagnetic **data processing equipment** or production equipment.

The cost of transferring such from backup or from originals of a previous generation. **We** will not pay for any other cost, including research, engineering or other cost of restoring or recreating information lost.

- c. Exposed film

The value of unexposed film of the same type and quality.

- d. **Data processing equipment**

The cost of replacing **data processing equipment** with like kind and quality new, but having technological advantages or improvements, that performs the same functions as the destroyed property, provided such replacement can be accomplished without increasing **our** liability.

CONDITIONS

Abandonment of Property

A. Abandonment of Property

You may not abandon property to **us**.

Appraisal

B. Appraisal

1. If **you** fail to agree with **us** on the amount of a loss, either party may demand that the disputed amount be submitted for appraisal. A demand for appraisal will be made in writing within sixty (60) days after **our** receipt of proof of loss. Each party will then choose a competent and disinterested appraiser. Each party will notify the other of the identity of its appraiser within thirty (30) days of the written demand for appraisal.
 2. The two (2) appraisers will choose a competent and disinterested umpire. If the appraisers are unable to agree on an umpire within fifteen (15) days, **you** or **we** may petition a judge of a court of record in the state where the **covered loss** happened, to select an umpire.
 3. The appraisers will then set the amount of the loss or damage. If the appraisers submit a written report of an agreement to **you** and **us**, the amount they agree on will be the amount of **our** payment for the loss or damage. If the appraisers fail to agree within a reasonable time, they will submit their differences to the umpire. Written agreement signed by any two (2) of these three (3) will set the amount of loss or damage.
 4. Each appraiser will be paid by the party that selects him or her. Other expenses of the appraisal and compensation of the umpire will be paid equally by **you** and **us**.
-

Assignment

C. Assignment

Your assignment of this Commercial Property policy will not be valid except with **our** written consent.

Brands and Labels

D. Brands and Labels

In the event of a **covered loss** to branded or labeled merchandise, **we** may choose to take title to all or any part of that merchandise, at the value established by the terms of this Commercial Property policy. **You** may, at **your** expense:

1. Stamp "salvage" on the merchandise or its containers; or
2. Remove or obliterate the brands or labels if such removal or obliteration will not physically damage the merchandise. **You** must re-label the merchandise or containers in compliance with the requirements of law.

Breach of Condition

E. Breach of Condition

A breach of any condition of this Commercial Property policy at any **covered location** will not affect coverage at any other **covered location** where, at the time of loss or damage, no breach exists.

Cancellation

F. Cancellation

1. **You** may cancel this Commercial Property policy by mailing or delivering to **us** advance written notice of cancellation.
2. If this Commercial Property policy has been in effect for less than sixty (60) days and is not a renewal of a policy **we** issued, **we** may cancel this Commercial Property policy for any reason by giving **you** written notice of cancellation at least:
 - a. Ten (10) days before the date of cancellation if **we** cancel for nonpayment of premium; or
 - b. Thirty (30) days before the date of cancellation if **we** cancel for any other reason.
3. If this Commercial Property policy has been in effect for sixty (60) days or more or is a renewal of a policy **we** issued, **we** may cancel this Commercial Property policy by giving **you** written notice of cancellation at least:
 - a. Ten (10) days before the date of cancellation if **we** cancel for one (1) or more of the following reasons:
 - (1) Nonpayment of premium;
 - (2) Conviction of a crime arising out of acts increasing the likelihood of a **covered loss**;
 - (3) Discovery of fraud or material misrepresentation by **you** in obtaining this Commercial Property policy or in pursuing a claim under this Commercial Property policy;
 - (4) Discovery of any willful or reckless act or omission by **you** increasing the likelihood of a **covered loss**; or
 - (5) A determination by the Commissioner of Insurance that continuation of the policy would violate or place **us** in violation of the law.
 - b. Thirty (30) days before the date of cancellation if **we** cancel for one (1) or more of the following reasons:
 - (1) Physical changes in the property, which increase the likelihood of a **covered loss**;
 - (2) A material increase in the likelihood of a **covered loss**; or

*Cancellation
(continued)*

(3) Loss or decrease of **our** reinsurance covering the insurance provided by this Commercial Property policy.

4. If **we** cancel for nonpayment of premium, **you** may continue the coverage and avoid cancellation by making full payment any time prior to the date of cancellation.
5. **We** will mail or deliver **our** notice to **your** last mailing address known to **us**.
6. Notice of cancellation will state the reason for cancellation, and the effective date of cancellation. The **policy period** will end on that date.
7. If this Commercial Property policy is cancelled, **we** will send to **you** any premium refund due. If **we** cancel, the refund will be pro rata. If **you** cancel, the refund will be 90% of pro rata. The cancellation will be effective even if **we** have not yet made or offered a refund.
8. If notice is mailed, proof of mailing will be sufficient evidence of notice.

Change of Terms

G. Change of Terms

The terms of this insurance will not be waived, changed or modified except by written endorsement issued by **us** and which becomes a part of this Commercial Property policy.

*Collection from
Others*

H. Collection from Others

Payment to **you** for a **covered loss** will be reduced to the extent **you** have collected that loss from others.

*Concealment,
Misrepresentation
or Fraud*

I. Concealment, Misrepresentation or Fraud

This entire policy is void, if with the actual intent to deceive, **you, your** representatives or any insured commit fraud or conceal or misrepresent a fact or circumstance concerning:

1. This Commercial Property policy;
2. The **covered property**;
3. **Your** interest in the **covered property**; or
4. A claim under this Commercial Property policy.

Inspection

J. Inspection

1. During the period of this Commercial Property policy, **we** will be permitted, but not obligated, to inspect the **covered property**. Neither **our** right to make inspections, nor making them, nor any report of them, will imply for **you** or others, nor constitute an undertaking, that the **covered property** is safe, healthful, or in compliance with laws, regulations, codes or standards.
2. 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.

We will have no liability to **you** or others because of any inspection or failure to inspect.

Liberalization

K. Liberalization

If, during the **policy period** or forty-five (45) days prior to the **policy period**, a filing of **ours** to a state insurance department would broaden this insurance without requiring any additional premium, then the terms and coverage of that filing will apply to **covered locations** and **covered property** within that state, effective on the dates specified within the filing.

Loss Payee

L. Loss Payee

In the event of a **covered loss** to property in which both **you** and a loss payee shown on the Schedule of Mortgage Holders or Loss Payees, Form PK 00 07, have an insurable interest, **we** will:

1. Adjust the **covered loss** with **you**; and
2. Make payment for the **covered loss** to **you** and the loss payee jointly, as their interests may appear.

Mortgage Holders

M. Mortgage Holders

1. **We** will pay for **covered loss** to buildings or structures to each mortgage holder shown on the Schedule of Mortgage Holders or Loss Payees, Form PK 00 07, as their interests may appear.
2. A mortgage holder has the right to receive loss payment even if the mortgage holder has started foreclosure or similar action on the building or structure.

*Mortgage Holders
(continued)*

3. If **we** deny **your** claim because of **your** acts or because **you** have failed to comply with the terms of this Commercial Property policy, the mortgage holder will still have the right to receive loss payment, up to the amount of their insurable interest, but in no event more than the applicable **limit of liability**, if the mortgage holder:
 - a. Pays any premium due under this Commercial Property policy at **our** request;
 - b. Submits a signed, sworn proof of loss within sixty (60) days after receiving notice from **us** of **your** failure to do so; and
 - c. Has notified **us** of any change in ownership, occupancy or substantial change in risk known to the mortgage holder.

All terms and conditions of this Commercial Property policy will then apply directly to the mortgage holder.

4. If **we** pay the mortgage holder for any **covered loss** and deny payment to **you** because **you** have failed to comply with the terms of this Commercial Property policy:
 - a. The mortgage holder's rights under the mortgage will be transferred to **us** to the extent of the amount **we** pay; and
 - b. The mortgage holder's right to recover the full amount of the mortgage claim will not be impaired.

In the event of a **covered loss**, **we** will, at **our** option, pay the mortgage holder the whole principal of **your** mortgage plus any accrued interest. In that event, **your** mortgage and note will be transferred to **us**, and **you** will pay **your** remaining mortgage debt to **us**.

5. If **we** cancel or nonrenew this Commercial Property policy, **we** will give the mortgage holder the same notice **we** give to **you**.
6. The term "mortgage holder" includes trustee.

No Benefit to Bailee

N. No Benefit to Bailee

No person or organization, having custody of **your covered property**, will benefit from this Commercial Property policy.

*No Reduction
by Loss*

O. No Reduction by Loss

Except for those coverages written with an annual aggregate **limit of liability** or sublimits of liability, **we** will pay for a **covered loss** without reducing any other applicable **limit of liability** or sublimits of liability.

Nonrenewal

P. Nonrenewal

1. If **we** decide not to renew this Commercial Property policy, **we** will mail or deliver a written notice of nonrenewal to **you** at least thirty (30) days before the expiration date of this Commercial Property policy. Notice will be sent to **your** last mailing address known to **us**. **We** will state the reason for nonrenewal.
2. If notice is mailed, proof of mailing will be sufficient evidence of notice.

Other Insurance

Q. Other Insurance

1. If there is any other insurance that would apply in the absence of this Commercial Property policy, **we** will pay for a **covered loss** only after the limits of all other applicable insurance are exhausted.
2. If this Commercial Property policy is deemed by law to contribute to a loss with other insurance, **we** will pay only **our** proportionate share of the loss, up to the applicable **limit of liability**. **Our** share will be the proportion that the applicable **limit of liability** of this Commercial Property policy bears to the total applicable **limits of liability** available from all insurance.
3. **You** are permitted to have other insurance over any limits or sublimits of liability specified in this Commercial Property policy.
4. The existence of such insurance will not reduce any limit or sublimit of liability in this Commercial Property policy.
5. To the extent this Commercial Property policy replaces another policy, coverage under this Commercial Property policy shall not become effective until such other policy has terminated.

Our Options

R. Our Options

At **our** option, **we** will repair, rebuild or replace damaged **covered property** with other property of like kind and quality within a reasonable period of time. If **we** elect to repair or replace the **covered property**, **we** will notify **you** of that decision within sixty (60) days of **our** receipt of **your** proof of loss. **We** will, at **our** option, take title to all or any part of the damaged or destroyed property at the agreed or appraised value.

Pair, Set or Parts

S. Pair, Set or Parts

In the event of a **covered loss** to an article that is part of a pair or set, **our** payment for that loss will be:

1. The cost to repair or replace any part to restore the pair or set to its value before the **covered loss**; or

*Pair, Set or Parts
(continued)*

2. The difference between the value of the pair or set before and after the **covered loss**.

In no event will the loss of part of a pair or set be regarded as a total loss of the pair or set.

When **covered property** consists of several parts, **we** will pay only for the lost or damaged part.

Payment of Loss

T. Payment of Loss

We will pay the **covered loss** within thirty (30) days after **we** receive and accept the signed, sworn Proof of Loss, if:

1. **You** have complied with all the terms of this Commercial Property policy;
 2. **We** have reached agreement with **you** on the amount of **covered loss**; or
 3. An appraisal award is made as provided for in **B.** above.
-

*Policy Period
and Territory*

U. Policy Period and Territory

We will only pay for direct physical loss or damage to **covered property** as the result of a **peril insured against** during the **policy period**, while the **covered property** is:

1. Within the continental United States of America, Hawaii and Puerto Rico;
 2. Being moved on land or in the air within or between the continental United States of America and Canada; or moved on land or in the air within Hawaii or Puerto Rico; or
 3. Being moved on inland waters and intercoastal waterways of the continental United States of America, or on any of the Great Lakes.
-

*Recovered
Property*

V. Recovered Property

1. If either **you** or **we** recover any **covered property** after **we** have paid for its loss, that party must give the other prompt written notice of the recovery.
2. If **we** recover the **covered property**, **we** will return it to **you**, if **you** so request. **You** must then return the amount **we** paid to **you** for it.
3. If **you** recover the **covered property**, **you** may either keep it or surrender it to **us**. If **you** choose to keep it, **you** must return the amount **we** paid to **you** for it.

*Right to Adjust
With Owner*

W. Right to Adjust with Owner

1. **Covered loss** will be adjusted with **you** except as provided in **M.** above.
2. If a claim is made for damage to **covered property** of others, **we** will have the right to adjust that loss or damage with the owners of that property. **Our** payment to the owners will fully satisfy any claim of **yours** for damage to that property.

Subrogation

X. Subrogation

1. If **we** make payment for a loss, **you** will assign to **us** all **your** rights of recovery against any party for that loss. **We** will not acquire any rights of recovery **you** have waived prior to the loss. **You** agree to cooperate and not to waive, prejudice, settle or compromise any claim against any party after the loss has occurred.
2. **You** will be paid any recovery, in the proportion that **your** deductible and any provable uninsured loss bears to the total loss less **your** proportion of fees and expenses.

Suit

Y. Suit

No suit or other legal proceeding shall be brought against **us** unless there has been full compliance with all the policy terms and conditions. Any suit against **us** must be brought within two (2) years after the date on which the direct physical loss or damage occurred, or the shortest time permitted by law, whichever is greater.

Suspension

Z. Suspension

If equipment breakdown is marked with an (X) in **B.** Coverages of the DECLARATIONS, Form PK 10 00, and **we** discover a dangerous condition relating to an **object**, **we** may immediately suspend the insurance provided by this coverage for that covered equipment by written notice mailed or delivered to **you** either at **your** address or at the location of any **object**. Suspended insurance may be reinstated by **us**, but only by an endorsement issued as part of this Commercial Property policy. **You** will be credited for the unearned portion of the premium paid for the suspended insurance, pro rata, for the period of suspension. The suspension will be effective even if **we** have not yet made or offered a refund.

*Titles of
Paragraphs*

A.A. Titles of Paragraphs

The titles of the paragraphs of this Commercial Property policy and of any endorsements attached to it are only for reference. They do not affect the terms to which they relate.

B.B. Vacancy

1. Description of Terms

a. As used in this Vacancy Condition:

- (1) When this Commercial Property policy is issued to a tenant **real property**, rented or leased, is vacant when it does not contain enough **personal property** to conduct customary operations.
- (2) When this Commercial Property policy is issued to the owner or managing agent the **real property** is vacant unless at least 31% of its total square footage is:
 - (a) Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; or
 - (b) Used by the owner or managing agent to conduct customary operations.

b. **Real property** under construction or renovation is not considered vacant.

2. Vacancy Provisions

If **real property**, covered by this Commercial Property policy, is vacant for more than sixty (60) consecutive days, then in addition to the other terms, conditions, limitations and exclusions in this Commercial Property policy, **we** will not pay for any loss or damage caused by or resulting from any of the following, regardless of any other cause or event, including a **peril insured against**, that contributes to the loss at the same time or in any other sequence, for as long as your **real property** remains vacant:

- a. Vandalism or malicious mischief;
- b. Sprinkler leakage, unless you have protected the system against freezing;
- c. Building glass breakage;
- d. Water damage;
- e. Theft; or
- f. **Fungus** (including **fungus** cleanup).

If a loss to **covered property** by fire or explosion ensues, **we** will pay for that loss.

Your Duties
After a Loss

C.C. Your Duties After a Loss

In case of loss **you** will:

1. Give **us** immediate written notice of the loss;
2. Give notice of such loss to the proper authorities if the loss may be due to a violation of the law;
3. As soon as possible, give **us** a description of the property involved and how, when and where the loss happened;
4. Take all reasonable steps to protect the **covered property** from further damage;
5. Promptly separate the damaged property from the undamaged property, and keep it in the best possible order for examination;
6. Furnish a complete inventory of the lost, damaged and destroyed property, showing in detail the quantity, and amount of loss claimed under the valuation provision of the policy;
7. Keep an accurate record of all repair costs;
8. Keep all bills, receipts and related documents that establish the amount of loss;
9. As often as may reasonably be required:
 - a. Permit **us** to inspect the damaged property and take samples for inspection, testing and analysis.
 - b. Produce for inspection and copying, all of **your** books of account, business records, bills and invoices.
 - c. Permit **us** to question under oath, **you** and any of **your** agents, employees or representatives involved in the purchase of this insurance or the preparation of **your** claim, including any public adjusters and any of their agents, employees or representatives, and verify **your** answers with a signed acknowledgment.
10. Submit to **us**, within ninety (90) days from the date of loss, unless **we** extend the time in writing, a signed, sworn Proof of Loss that states to the best of **your** knowledge and belief:
 - a. The time and cause of the loss;
 - b. **Your** interest and the interest of all others in the property involved;
 - c. Any other policies of insurance that may provide coverage for the loss;

Your Duties
After a Loss
(continued)

- d.** Any changes in title or occupancy of the property during the **policy period**; and
- e.** The amount of **your** claimed loss.

You shall also submit with the Proof of Loss:

- a.** The inventory referred to in **C.C.6.** above;
 - b.** The records specified in **C.C.7.** and **C.C.8.** above;
 - c.** Specifications for any damaged building; and
 - d.** Detailed estimates and invoices for the repair of any damage.
- 11.** Cooperate with **us** in the investigation and adjustment of the loss.

DEFINITIONS

Accident

A. Accident means a sudden, fortuitous event that causes direct physical damage to an **object(s)**, which requires that the **object(s)** be repaired or replaced, in whole or in part.

Accident, however, does not include any of the following:

1. Fire, including water or other means used to extinguish the fire;
2. Combustion explosion. This includes but is not limited to, a combustion explosion of any steam boiler or other fired vessel;
3. Discharge of molten material from equipment including the heat from such discharged material;
4. Depletion, deterioration, rust corrosion, erosion, settling or wear and tear or any other gradually developing condition;
5. Misalignment, miscalibration, tripping off-line, or any condition which can be corrected by resetting, tightening, adjusting or cleaning, or by the performance of maintenance;
6. Lightning;
7. Any loss or damage caused by or resulting from any type of electrical or electronic insulation breakdown test; or
8. Any loss or damage caused by or resulting from any type of hydrostatic, pneumatic or gas pressure test.

Actual Cash Value

B. Actual cash value means **replacement cost** less deduction for depreciation.

Average Daily Value

C. Average daily value (ADV) means **your business income** that would have been earned during the period of interruption had no loss happened, divided by the number of working days in that period. The **average daily value (ADV)** applies to the **business income** value of the entire **covered location** whether or not the loss effects the entire **covered location**. If more than one (1) **covered location** is included in the valuation of the loss, the **average daily value (ADV)** will be the combined value of all **covered locations**. The period of interruption may not extend beyond the **period of restoration**.

Business Income

D. Business income means gross earnings, including rental income, plus all other earnings derived from the operation of the business, less all charges and expenses which do not necessarily continue.

Business Income
(continued)

For example:

1. Manufacturing operations:

The net sales value of production less the cost of all raw stock, materials and supplies utilized in such production.

2. Mercantile or nonmanufacturing operations:

The net sales less the cost of merchandise sold and materials and supplies consumed in the operations or services rendered by **you**.

3. Property rental operations:

The total expected gross rental income from tenant occupancy of **your covered location(s)**. This also includes all charges which are the legal obligation of **your** tenants, which would otherwise be **your** obligations, and the fair rental value of any portion of **your covered location(s)** which **you** occupy.

Covered Location(s)

E. Covered location(s) means those locations shown on the Schedule of the DECLARATIONS, Form PK 10 00, or on the Schedule of any endorsement to this Commercial Property policy.

Covered Loss

F. Covered loss means a loss to **covered property** at a **covered location** resulting from a **peril insured against**.

Covered Property

G. Covered property means property insured by this Commercial Property policy.

Data

H. Data means any information recorded on **media** and used in **your** processing operations.

Data Processing Equipment

I. Data processing equipment means processing units, terminals, tape drives, disk drives, controllers, printers and other equipment capable of receiving, processing, storing or retrieving information.

Earth Movement

J. Earth movement, whether natural or man-made, includes but is not limited to:

1. Earthquake;
2. Landslide;
3. Mudflow or mudslide; or
4. Sinking, rising or shifting of the earth.

Effective Date

K. Effective date means the day and time at which the insurance provided by this Commercial Property policy begins.

Extra Expense

- L. Extra expense** means the reasonable and necessary extra costs:
1. Incurred to temporarily continue as nearly normal as practicable the conduct of **your** business; or
 2. Of temporarily using property or facilities of **yours** or others.

For purposes of applying the above provision, "normal" means the condition that would have existed had no **covered loss** happened.

Fine Arts

M. Fine arts means property of rarity, antiquity or artistic merit, including but not limited to paintings; etchings; pictures (including their negatives); tapestries; statuary; marble; bronzes; antique jewelry; antique furniture; antique silver; rare books; porcelains; rare or art glassware; art glass windows; valuable rugs; and porcelains.

First Tier Wind Counties and Parishes

N. First tier wind Counties and Parishes means the Counties and Parishes in the States as follows:

Baldwin and Mobile Counties in the State of Alabama;

All Counties in the State of Florida;

Bryan, Camden, Chatham, Glynn, Liberty and McIntosh Counties in the State of Georgia;

The Hawaiian Islands;

Cameron, Iberia, Jefferson, Lafourche, Orleans, Plaquemines, St. Bernard, St. Mary, St. Tammany, Terrebonne and Vermilion Parishes in the State of Louisiana;

Hancock, Harrison and Jackson Counties in the State of Mississippi;

Beaufort, Bertie, Brunswick, Camden, Carteret, Chowan, Currituck, Dare, Hyde, New Hanover, Onslow, Pamlico, Pasquotank, Pender, Perquimans, Tyrrell and Washington Counties in the State of North Carolina;

Beaufort, Charleston, Colleton, Georgetown, Horry and Jasper Counties in the State of South Carolina;

Aransas, Brazoria, Calhoun, Cameron, Chambers, Galveston, Jefferson, Kenedy, Kleberg, Matagorda, Nueces, Refugio, San Patricio and Willacy Counties in the State of Texas; and

The Commonwealth of Puerto Rico.

Flood

O. Flood means:

1. The release of water from, or the rising, overflowing or breaking of boundaries of rivers, lakes, streams, ponds or other natural or man-made bodies of water; or
2. Waves, tides, tidal waves, surface water, rain accumulation or runoff.

Flood includes spray from any of them, all whether driven by **wind** or not.

Fungus

P. Fungus means any of a major group (fungi) of saprophytic and parasitic lower plants that lack chlorophyll and include but are not limited to molds, rusts, mildews, smuts, mushrooms and yeasts, and any mycotoxins, spores, scents or by-products produced or released by fungi.

Hail

Q. Hail means precipitation composed of concentric layers of clear ice and hardened snow in the shape of stones ranging in size from pea to softball or larger.

Hazardous Substance

R. Hazardous substance means any substance that is hazardous to health or has been declared to be hazardous to health by a governmental agency.

Limit(s) of Liability

S. Limit(s) of liability means the maximum amount **we** will pay for a **covered loss**.

Media

T. Media means the medium on which **data** or **software** is stored, such as magnetic tape, perforated paper tape, punch cards, media cards, discs, drums and other storage devices used in **your data processing equipment**.

Mobile Equipment or Tools

U. Mobile equipment or tools means equipment and tools that are mobile, whether self propelled or not, including machinery or apparatus attached to them, which are not licensed or designed for highway use, including but not limited to power cranes, shovels, loaders, scrapers, graders, dozers, pavers, rollers, job trailers, diggers, drills and other road construction equipment, air compressors, pumps, generators, welders, scaffolding, transits.

Named Storm

V. Named Storm means any storm or weather disturbance that is named by the U.S. National Weather Service. All damage resulting from a single **named storm** that occurs within a continuous seventy-two (72) hour period will be considered a single **occurrence**.

New Location(s)

W. New location(s) means **real property you** purchase or rent, including **personal property** at that location, after the **effective date** of this Commercial Property policy.

New Madrid

X. New Madrid means the Counties in the States as follows:

Arkansas, Clay, Craighead, Crittenden, Cross, Greene, Independence, Jackson, Lawrence, Lee, Mississippi, Monroe, Phillips, Prairie, Poinsett, Randolph, St. Francis, White and Woodruff Counties in the State of Arkansas;

Alexander, Edwards, Franklin, Gallatin, Hamilton, Hardin, Jackson, Jefferson, Johnson, Lawrence, Massac, Perry, Pope, Pulaski, Randolph, Saline, St. Clair, Union, Wabash, Washington, Wayne, White and Williamson Counties in the State of Illinois;

Daviess, Gibson, Knox, Pike, Posey, Spencer, Vanderburgh and Warrick Counties in the State of Indiana;

Ballard, Butler, Caldwell, Calloway, Carlisle, Christian, Crittenden, Daviess, Fulton, Graves, Hopkins, Henderson, Hickman, Logan, Livingston, Lyon, Marshall, McClean, McCracken, Mullenburg, Ohio, Todd, Trigg, Union and Webster Counties in the State of Kentucky;

Benton, Bolivar, Coahoma, Desoto, Lafayette, Marshall, Panola, Quitman, Sunflower, Tallahatchie, Tate, Tunica and Yalobusha Counties in the State of Mississippi;

Bollinger, Butler, Cape Girardeau, Carter, Crawford, Dent, Dunklin, Iron, Jefferson, Madison, Mississippi, New Madrid, Perry, Premiscot, Reynolds, Ripley, St. Charles, St. Francois, St. Louis, St. Louis City, Ste. Genevieve, Scott, Shannon, Stoddard, Washington and Wayne Counties in the State of Missouri;

Carroll, Chester, Crockett, Dyer, Fayette, Gibson, Hardeman, Haywood, Henderson, Henry, Lake, Lauderdale, Madison, McNairy, Obion, Shelby, Tipton and Weakley Counties in the State of Tennessee.

Object(s)

Y. Object(s) means the following:

1. Unless specified otherwise in an endorsement to this Commercial Property policy.
 - a. Equipment at a **covered location** that generates, transmits or utilizes energy including electronic communications and **data processing equipment**.
 - b. Equipment at a **covered location** which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.
2. **Object(s)** does not include any of the following:
 - a. Structure, including but not limited to the structural portions of buildings and towers, scaffolding and any air supported structure;
 - b. Foundation;
 - c. Cabinet, compartment, conduit or ductwork;

Object(s)
(continued)

- d. Insulating or refractory material;
- e. Buried vessels or piping;
- f. Waste, drainage or sewer piping;
- g. Piping, valves or fittings forming a part of a sprinkler or fire suppression system;
- h. Water piping that is not part of a closed loop used to conduct heating or cooling from a boiler, refrigeration or air conditioning system;
- i. **Vehicle** or any equipment mounted on a **vehicle**;
- j. Satellite, spacecraft or any equipment mounted on a satellite or spacecraft;
- k. Dragline, excavation or construction equipment; or
- l. Equipment manufactured by **you** for sale.

Occurrence

- Z. Occurrence** means all loss or damage attributable directly or indirectly to one (1) cause or series of similar causes. All such loss or damage will be added together, and the total loss or damage will be treated as one (1) **occurrence** irrespective of the amount of time or area over which such loss or damage occurs.

Peril(s) Insured Against

- A.A Peril(s) insured against** means causes of loss for which this Commercial Property policy provides coverage.

Period of Restoration

- B.B. Period of restoration** means:

1. For buildings and equipment, the period of time:
 - a. Starts at the time of a **covered loss**; and
 - b. Ends when using reasonable speed the building and equipment could be:
 - (1) Repaired or replaced; and
 - (2) Made ready for operations;

under the same or equivalent physical and operating conditions that existed prior to the damage.
2. For buildings in the course of construction:

Period of Restoration
(continued)

- a. **We** will apply the time period defined in **B.B.1.** above to the level of business that would have been reasonably achieved after construction and startup would have been completed had no physical damage happened; and
 - b. **We** will give consideration to the actual experience of the business after completion of the construction and startup.
3. For stock in-process and mercantile stock, including finished goods not manufactured by **you**, the time required using reasonable speed:
 - a. To restore stock in process to the same state of manufacture which existed at the beginning of the interruption of production or suspension of business operations or services; and
 - b. To replace physically damaged mercantile stock.
4. For raw materials and supplies, the period of time:
 - a. Of actual interruption of production or suspension of operation or services which results from **your** inability to obtain suitable replacement raw materials and supplies; but
 - b. Limited to that period for which the damaged raw materials and supplies would have satisfied operating needs.
5. For **valuable papers and records**, the time required using reasonable speed to copy the physically damaged **valuable papers and records** from backup or from originals of a previous generation. This time does not include research, engineering or any other time necessary to restore or recreate lost information.
6. For **data**, programs or other **software**, the time required using reasonable speed to restore the physically damaged or destroyed **data**, programs or other **software** from backup. This time does not include research, engineering or any other time necessary to restore or recreate lost information.
7. The **period of restoration** does not include any additional time due to **your** inability to resume operations for any other reason, including but not limited to:
 - a. Making changes to equipment.
 - b. Making changes to the buildings or structures, except as provided in the Operation of Building Laws, Demolition Cost and Increased Construction Cost provision if coverage is provided in Item **D.4.** of the DECLARATIONS, Form PK 10 00, attached to this Commercial Property policy.
 - c. Restaffing or retraining employees.
 - d. Any law or ordinance that requires testing, monitoring, clean up, removal, decontamination, treatment, detoxification or neutralization of, or any other response to **pollution** or **pollutant(s)**.

Period of Restoration
(continued)

8. The expiration of this Commercial Property policy will not terminate the **period of restoration**. In no event will the **period of restoration** exceed twenty-four (24) months from the date of loss.
-

Perishable Goods

- C.C. **Perishable goods** mean any **covered property** subject to deterioration or impairment as a result of a change in conditions including but not limited to temperature, humidity or pressure.
-

Personal Property

- D.D. **Personal property** means **your** tangible things, other than **real property**, including improvements and betterments **you** have made in buildings **you** do not own.
-

Personal Property of Others

- E.E. **Personal property of others** means tangible things **you** do not own, other than **real property**, that are:
1. Sold by **you** that **you** agreed, prior to loss, to insure for the account of the purchaser during delivery;
 2. In **your** custody which **you** agreed, prior to loss, to insure; or
 3. In **your** care, custody or control, and for which **you** are legally liable, but only to the extent of **your** insurable interest therein.
-

Policy Period

- F.F. **Policy period** means the time during which insurance is provided by this Commercial Property policy.
-

Pollutant(s)

- G.G. **Pollutant(s)** means any solid, liquid, gaseous or thermal irritant or contaminant, including, but not limited to, fiber, smoke, vapor, soot, fumes, acids, alkalis, chemicals, biological, organic or bacterial agents and waste. "Waste" includes, but is not limited to, materials to be recycled, reconditioned or reclaimed. However, **pollutant(s)** does not include ammonia.
-

Pollution

- H.H. **Pollution** means the presence, discharge, dispersal, seepage, migration, release or escape of any **pollutant(s)**.
-

Puget Sound

- I.I. **Puget Sound** means the Counties of Clallam, Island, Jefferson, King, Kitsap, Mason, Pierce, San Juan, Skagit, Snohomish, Thurston and Whatcom in the State of Washington.
-

Real Property

- J.J. **Real property** means buildings and any other structure, including:
1. Completed additions, extensions, permanent fittings or fixtures;
 2. Machinery and equipment that is used to service the buildings;
 3. Yard fixtures.
-

Replacement Cost

K.K. Replacement cost means the cost to replace **covered property**:

1. With new materials of like kind and quality and used for the same purpose; and
2. At the location where the loss happened.

But **replacement cost** excludes any increased cost of repair or reconstruction by reason of any law or ordinance regulating construction, repair or use.

Second Tier Wind Counties and Parishes

L.L. Second tier wind Counties and Parishes means the Counties and Parishes in the States as follows:

Clarke, Covington, Escambia, Geneva, Monroe and Washington Counties in the State of Alabama;

Brantley, Brooks, Bulloch, Charlton, Effingham, Evans, Long, Tattnall, Thomas and Wayne Counties in the State of Georgia;

Acadia, Assumption, Calcasieu, Iberville, Jefferson Davis, Lafayette, St. Charles, St. James, St. John the Baptist, St. Martin, Tangipahoa and Washington Parishes in the State of Louisiana;

George, Pearl River and Stone Counties in the State of Mississippi;

Bladen, Columbus, Craven, Duplin, Gates, Halifax, Hertford, Jones, Lenoir, Martin, Northampton, Pitt and Sampson Counties in the State of North Carolina;

Bamberg, Berkeley, Dillon, Dorchester, Hampton, Marion and Williamsburg Counties in the State of South Carolina;

Bee, Brooks, Fort Bend, Goliad, Hardin, Harris, Hidalgo, Jackson, Jim Wells, Liberty, Live Oak, Orange, Victoria and Wharton Counties in the State of Texas;

Sinkhole Collapse

M.M. Sinkhole collapse means loss to **covered property** resulting from the sudden sinking or collapse of any land into naturally occurring underground empty spaces created by the action of water on limestone or similar rock formations. Coverage for **sinkhole collapse** does not include the cost of filling sinkholes.

Software

N.N. Software means programs stored on **media** that instruct **data processing equipment** how to process **data**.

Specified Peril(s)

O.O. Specified peril(s) means direct physical loss or damage caused by or resulting from:

1. Fire;
2. Lightning;

Specified Peril(s)
(continued)

3. Aircraft;
4. Explosion;
5. Riot;
6. Civil commotion;
7. Smoke;
8. **Vehicles;**
9. **Wind or hail;**
10. Malicious mischief;
11. Leakage or accidental discharge from automatic fire protection system;
12. Collapse.

Transit

P.P. Transit means the conveyance of **your personal property** within the **policy period** and territory as specified in this Commercial Property policy, from the time it leaves the original point of shipment until it arrives at its intended destination.

This period includes:

1. While the property is in the care, custody or control of hired carriers; and
2. Transfers between conveyances.

Transit does not include **personal property** while in the custody of **your** salespeople, or while being conveyed between a **covered location** and the location of an exhibition, exposition, fair or trade show.

Should this Commercial Property policy expire or be cancelled after the property leaves the original point of shipment but before it arrives at its intended destination, coverage will continue on this **personal property** until it arrives at its intended destination.

Unscheduled Location(s)

Q.Q. Unscheduled location(s) means:

1. **Real property** reported to **us**, but not shown on the Schedule of the DECLARATIONS, Form PK 10 00, which **you** owned or rented before the **effective date**; and
2. Locations reported to **us**, but not shown on the Schedule of the DECLARATIONS, Form PK 10 00, at which **you** had **personal property** before the **effective date** other than **new locations**.

Valuable Papers and Records

R.R. Valuable papers and records means written or printed documents or records including books, maps, negatives, drawings, abstracts, deeds, mortgages and manuscripts.

Vehicle(s)

S.S. Vehicle(s) means:

Vehicles or self-propelled machines that are:

1. Licensed for use on public roads;
2. Operated principally away from the **covered location(s)**; or
3. Held for sale.

Volcanic Activity

T.T. Volcanic activity means direct physical loss or damage to **covered property** directly resulting from:

1. Airborne volcanic blast or shockwave;
2. Ash, dust or particulate matter; or
3. Lava flow.

All **volcanic activity** resulting from volcanic eruptions occurring within any one-hundred-sixty-eight (168) hour period will constitute a single **occurrence**.

Volcanic activity does not include the cost to remove ash, dust or particulate matter that does not cause direct physical damage to **covered property**.

We, Us and Our(s)

U.U. We, us and our(s) mean the company issuing this Commercial Property policy, as shown on the DECLARATIONS, Form PK 10 00.

Wind

U.U. Wind means the direct action of the movement of air at any velocity.

You and Your(s)

V.V. You and your(s) mean the named insured shown on the DECLARATIONS, Form PK 10 00.

Policy number
Issued by

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Cancellation by the Company (Reasons Other Than Nonpayment)

This endorsement modifies insurance provided under the following:

CONDITIONS, Form PK 10 06

Cancellation Notice

The Cancellation condition of the policy is changed to provide that, with respect to cancellation by **us** for any reason other than nonpayment of premium, **we** will mail or deliver to **you** written notice of cancellation at least <<FILLIN # OF DAYS>> days before the effective date of cancellation, but in no event less than the number of days required by applicable statute or rule.

Policy number
Issued by

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Cancellation by the Company (Includes Nonpayment Cancellation)

This endorsement modifies insurance provided under the following:

CONDITIONS, Form PK 10 06

Cancellation Notice

The Cancellation condition of the policy is changed to provide that, with respect to cancellation by **us, we** will mail or deliver to **you** written notice of cancellation at least <<FILLIN # OF DAYS>> days before the effective date of cancellation, but in no event less than the number of days required by applicable statute or rule.

Policy number
Issued by

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Additional Deductibles and Waiting Periods

This endorsement modifies insurance provided under the following:

DECLARATIONS, Form PK 10 00

*Deductible and
Waiting Period*

The deductible and waiting period shown in Item **F.** of DECLARATIONS, Form PK 10 00, is replaced, but only with respect to the item(s) shown on the Schedule of this endorsement. All other deductibles and waiting periods remain unchanged.

A separate deductible amount or waiting period will apply to any **covered property**, loss of **business income**, **extra expense**, or any other coverage or peril listed on the Schedule of this endorsement if indicated by an asterisk(*) after the deductible amount or waiting period.

Schedule

Description

Amount of Deductible and
Waiting Period

<<DESCRIBE >>

<<ENTER APPROPRIATE
AMOUNT>>

Policy number
Issued by

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Accounts Receivable

This endorsement modifies insurance provided under the following:

EXTENSIONS OF COVERAGE, Form PK 10 02

The following is added to Item **A**. Standard Extensions of Coverage:

Accounts Receivable

A. We will pay the following expenses **you** incur directly resulting from loss or damage by a **peril insured against** to **your** records of accounts receivable at a **covered location**:

1. Amounts due **you** from customers that **you** are unable to collect;
2. Interest charges on any loan to offset amounts **you** are unable to collect, pending **our** payment of those amounts;
3. Collection expense above **your** normal collection expense; and
4. Reasonable expenses **you** incur to reestablish **your** records of accounts receivable.

Amount of Loss

B. Amount of Loss

1. If **you** are unable to accurately determine the amount of outstanding accounts receivable at the time of loss, **our** payment will be calculated in the following manner:

Your average monthly accounts receivable amount, based on the twelve (12) months preceding the loss, adjusted for normal fluctuations in the month in which the loss occurs, or for any demonstrated variance for that month.

2. The following will be deducted from the total amount of accounts receivable, regardless of the method used to determine that amount:
 - a. Balances for accounts not damaged or affected by the loss;
 - b. Amounts of accounts **you** are able to reestablish and collect;
 - c. An allowance for bad debts **you** are not normally able to collect; and
 - d. All unearned interest and service charges.

Limits of Liability

C. Limits of Liability

We will pay up to the **limits of liability** shown on the Schedule of this endorsement for any one (1) **occurrence**. These **limits of liability** do not increase and are not in addition to any other applicable **limit of liability**.

Exclusions

D. Exclusions

For the purposes of this endorsement, the following additional exclusions apply and **we** will not pay for:

1. Any loss that requires an audit or inventory to establish its existence.
 2. Any fraudulent, dishonest or criminal act done by:
 - a. Anyone entrusted with the accounts receivables, including their employees and agents; or
 - b. Anyone having an interest in the accounts receivables.

This exclusion does not apply to the acts of a carrier for hire.
 3. Bookkeeping, accounting, or billing errors or omissions.
 4. Wrongful alteration, falsification, manipulation, concealment, destruction, or disposal of records of accounts receivable, committed to conceal the wrongful giving, taking, getting, or withholding of money, securities, or other property.
-

Conditions

E. Conditions

1. When records of accounts receivable have been damaged or destroyed, **you** must use all reasonable efforts, including legal action if necessary, to obtain collection of any outstanding accounts receivable, and **we** will pay such costs and expenses of obtaining collection to the extent they reduce **your** loss.
 2. When records of accounts receivable have been damaged or destroyed, **you** will use any property or service owned or controlled by **you** or obtainable from other sources in order to reduce **your** loss.
-

Schedule

Location

Limit of Liability

<<ENTER LOCATION>>

<<ENTER LIMIT>>

Policy number
Issued by

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Contingent Loss of Business Income or Extra Expense

This endorsement modifies insurance provided under the following:

COVERAGES, Form PK 10 01
CONDITIONS, Form PK 10 06

Contingent Loss of Business Income or Extra Expense

A. This extension applies only to the following Coverages marked with an (X), and only if those Coverages are also marked with an (X) in Item **B.** of DECLARATIONS, Form PK 10 00:

<<FILLIN X OR SPACE>> Loss of **business income**

<<FILLIN X OR SPACE>> **Extra expense**

Type of Location

B. If marked with an (X), **we** will pay for **your** loss of **business income** or **extra expense** that results from direct physical loss or damage to property of the type covered by this Commercial Property policy at a location shown on the Schedule of this endorsement from a **peril insured against**, which at the time of the loss:

<<FILLIN X OR SPACE>> **1.** Prevents a direct supplier of **yours** from delivering goods or materials to **you** or to **your** customers for **your** account;

<<FILLIN X OR SPACE>> **2.** Prevents others who manufacture products for delivery to **your** customers on **your** behalf under a contract for sale from delivering products to **your** customers on **your** behalf; or

<<FILLIN X OR SPACE>> **3.** Prevents **your** direct customers from accepting **your** product(s) or service(s).

Period of Time

C. **We** will only pay for **your** loss of **business income** or **extra expense** covered by this endorsement during the period of time that:

1. Starts at the time of the direct physical loss or damage from a **peril insured against** to the property of the type covered by this Commercial Property policy at a location shown on the Schedule of this endorsement; and

2. Ends when using reasonable speed and due diligence the property of the type covered by this Commercial Property policy at a location shown on the Schedule of this endorsement could be:

a. Repaired or replaced; and

Period of Time
(continued)

b. Made ready for operations;

under the same or equivalent physical and operating conditions that existed prior to the damage by whichever individual(s) or entity(ies) may own (or otherwise be responsible for) the location shown on the Schedule of this endorsement.

Limit of Liability

D. We will not pay more than the applicable **limit of liability** shown on the Schedule of this endorsement.

The **limits of liability** shown on the Schedule of this endorsement do not increase and are not in addition to any other applicable **limit of liability**.

Territory Exception

E. If marked with an (X) below, Item **U.1.** of CONDITIONS, Form PK 10 06, does not apply to a location(s) shown on the Schedule of this endorsement, except that **we** do not provide coverage for any such location in any nation with which United States companies are not permitted to do business, or which are or become subject to trade sanctions by the government of the United States during the **policy period**.

Schedule

See Item **E.** above

Location(s) Address

Type of Location

Limit of Liability

<<FILLIN X OR
SPACE>>

<<ENTER ADDRESS OF LOCATION>>

<<ENTER 1., 2. OR
3.>>

<<ENTER
APPROPRIATE
AMOUNT>>

Policy number
Issued by

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Contingent Loss of Business Income or Extra Expense Leader Locations

This endorsement modifies insurance provided under the following:

COVERAGES, Form PK 10 01

*Contingent Loss of
Business Income or
Extra Expense
Leader Location*

A. This extension applies only to the following Coverages marked with an (X) and only if those Coverages are also marked with an (X) in Item **B.** of DECLARATIONS, Form PK 10 00:

(<<FILLIN X OR SPACE>>) Loss of **business income**

(<<FILLIN X OR SPACE>>) **Extra expense**

Period of Time

B. If marked with an (X), **we** will pay for **your** loss of **business income** or **extra expense** that results from direct physical loss or damage from a **peril insured against** to property of the type covered by this Commercial Property policy at a *leader location*, during the period of time that:

1. Starts at the time of the direct physical loss or damage from a **peril insured against** to the property of the type covered by this Commercial Property policy at the *leader location*; and
2. Ends when using reasonable speed and due diligence, the property of the type covered by this Commercial Property policy at the *leader location* could be:
 - a. Repaired or replaced; and
 - b. Made ready for operations;

under the same or equivalent physical and operating conditions that existed prior to the damage by whichever individual(s) or entity(ies) may own (or otherwise be responsible for) the *leader location*.

Definitions

C. As used in this endorsement, the italicized term *leader location* means a location shown on the Schedule of this endorsement that:

1. Is operated by others; and
2. **You** depend on to attract customers to **your covered location**; and
3. Is located within one-thousand (1,000) feet of **your covered location**.

Limit of Liability

D. We will not pay more than the applicable **limit of liability** shown on the Schedule of this endorsement.

The **limits of liability** shown on the Schedule of this endorsement do not increase and are not in addition to any other applicable **limit of liability**.

Schedule

Location(s) Address

<<ENTER LOCATION>>

Limit of Liability

<<ENTER APPROPRIATE AMOUNT>>

Policy number
Issued by

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Earth Movement

This endorsement modifies insurance provided under the following:

EXCLUSIONS, Form PK 10 03

Earth Movement

- A. We** will pay for direct physical loss or damage to **covered property** caused by sudden **earth movement** within a state(s) or at a location(s) shown on the Schedule of this endorsement.

In addition, if coverage is provided for **business income** or **extra expense** in Item **B.** of DECLARATIONS, Form PK 10 00, **we** will pay for **covered loss of business income** or **extra expense** that results from direct physical loss or damage to **covered property** caused by sudden **earth movement** within a state(s) or at a location(s) shown on the Schedule of this endorsement.

All sudden **earth movement**, including earthquake shocks, within a continuous <<ENTER NUMBER OF HOURS>> hour period will be considered a single **occurrence**. The expiration of this Commercial Property policy will not reduce this period.

Limit of Liability

B. Limit of Liability

The following **limits of liability** do not increase and are not in addition to any other applicable **limit of liability**.

1. The most **we** will pay for all loss or damage, including any loss of **business income** or **extra expense**, for each **occurrence** of sudden **earth movement** loss will be the lesser of the applicable **limit of liability** shown on:
 - a. DECLARATIONS, Form PK 10 00;
 - b. EXTENSIONS OF COVERAGE, Form PK 10 02;
 - c. The Schedule of this endorsement for the particular state or the particular location(s); or
 - d. Any other applicable endorsement to this Commercial Property policy.
2. The most **we** will pay for all loss or damage caused by all sudden **earth movement**, including any loss of **business income** or **extra expense**, during any one (1) policy year is \$<<ENTER APPROPRIATE AMOUNT>>.

Deductible

C. Deductible

1. **We** will not pay for a sudden **earth movement** loss until the loss exceeds either the applicable flat amount deductible, or percentage deductible, shown for the particular state or the particular location(s) shown on the Schedule of this endorsement. **We** will then pay the amount of loss in excess of the applicable deductible, up to the applicable **limit of liability**.
2. If a percentage deductible is shown on the Schedule of this endorsement, the deductible amount will be the greater of the following:
 - a. The sum of multiplying the deductible percentage shown on the Schedule of this endorsement for a particular state or location(s) times:
 - (1) The total reported values on file with **us** for the **covered property** at the **covered location** when and where the loss occurred; plus
 - (2) The full annual **business income** value which **you** would have earned in the twelve (12) month period following the loss had no loss occurred; or
 - b. The corresponding minimum deductible amount also shown for the particular state or the particular location(s).
3. These deductibles do not apply to **covered property in transit**.
4. If indicated by an asterisk (*) after the deductible amount, a separate deductible amount will apply to any **covered property**, loss of **business income**, **extra expense**, or any other coverage or peril listed on the Schedule of this endorsement.

Exclusions

D. Exclusions

1. This endorsement does not apply to, and no **earth movement** coverage is provided for, the following coverage(s):

<<ENTER COVERAGE(S) OR NOT APPLICABLE>>
2. This endorsement does not apply to, and no **earth movement** coverage is provided for, any **covered property** situated in or at the following state(s) and location(s) when marked with an (X):
 - a. (<<FILLIN X OR SPACE>>) The State of Alaska;
 - b. (<<FILLIN X OR SPACE>>) The State of California;
 - c. (<<FILLIN X OR SPACE>>) The State of Hawaii;
 - d. (<<FILLIN X OR SPACE>>) The State of Nevada;
 - e. (<<FILLIN X OR SPACE>>) The area defined in this Commercial Property policy as **New Madrid**;

*Exclusions
(continued)*

- f. (<<FILLIN X OR SPACE>>) The area defined in this Commercial Property policy as **Puget Sound**;
- g. (<<FILLIN X OR SPACE>>) The Commonwealth of Puerto Rico; and
- h. (<<FILLIN X OR SPACE>>) Any other location(s) shown below:

Location(s)

<<ENTER LOCATION>>

Refer to the last page of this endorsement for the Schedule of States and Locations for which coverage is provided by this endorsement.

Schedule of Covered States and Locations

Covered State or Location	Limit of Liability Per Occurrence	Limit of Liability in any one (1) policy year	Deductible Flat Amount	Deductible Percentage	Deductible Minimum
<<ENTER STATE OR LOCATION>>	<<ENTER APPROPRIATE AMOUNT>>	<<ENTER APPROPRIATE AMOUNT>>	<<ENTER APPROPRIATE AMOUNT>>	<<ENTER APPROPRIATE AMOUNT>>	<<ENTER APPROPRIATE AMOUNT>>

Policy number
Issued by

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Earth Movement Sprinkler Leakage

This endorsement modifies insurance provided under the following:

EXCLUSIONS, Form PK 10 03

Earth Movement Sprinkler Leakage

A. We will pay for direct physical loss or damage to **covered property** resulting from leakage of an automatic fire extinguishing system caused by sudden **earth movement** within a state(s) or at a location(s) shown on the Schedule of this endorsement.

In addition, if coverage is provided for **business income** or **extra expense** in Item **B.** of DECLARATIONS, Form PK 10 00, **we** will pay for **covered loss of business income** or **extra expense** that results from direct physical loss or damage resulting from leakage of an automatic fire extinguishing system to **covered property** caused by sudden **earth movement**.

All sudden **earth movement** within a continuous <<ENTER NUMBER OF HOURS>> hour period will be considered a single **occurrence**. The expiration of this Commercial Property policy will not reduce this period.

Limit of Liability

B. Limit of Liability

The following **limits of liability** do not increase and are not in addition to any other applicable **limit of liability**.

1. The most **we** will pay for all loss or damage, including any loss of **business income** or **extra expense**, for each **occurrence** of leakage from an automatic fire extinguishing system caused by sudden **earth movement** will be the lesser of the applicable **limit of liability** shown on:
 - a. DECLARATIONS, Form PK 10 00;
 - b. EXTENSIONS OF COVERAGE, Form PK 10 02;
 - c. The Schedule of this endorsement for the particular state or the particular location(s); or
 - d. Any other applicable endorsement to this Commercial Property policy.
2. The most **we** will pay for all loss or damage, including any loss of **business income** or **extra expense**, for all leakage from an automatic fire extinguishing system caused by sudden **earth movement** during any one (1) policy year is \$<<ENTER APPROPRIATE AMOUNT>>.

Deductible

C. Deductible

1. **We** will not pay for leakage from an automatic fire extinguishing system caused by sudden **earth movement** until the loss exceeds either the applicable flat amount deductible, or percentage deductible, shown for the particular state or the particular location(s) shown on the Schedule of this endorsement. **We** will then pay the amount of loss in excess of the applicable deductible, up to the applicable **limit of liability**.
2. If a percentage deductible is shown on the Schedule of this endorsement, the deductible amount will be the greater of the following:
 - a. The sum of multiplying the deductible percentage shown on the Schedule of this endorsement for a particular state or location(s) times:
 - (1) The total reported values on file with **us** for the **covered property** at the **covered location** when and where the loss occurred; plus
 - (2) The full annual **business income** value which **you** would have earned in the twelve (12) month period following the loss had no loss occurred; or
 - b. The corresponding minimum deductible amount also shown for the particular state or the particular location(s).
3. If indicated by an asterisk (*) after the deductible amount, a separate deductible amount will apply to any **covered property**, loss of **business income**, **extra expense**, or any other coverage or peril listed on the Schedule of this endorsement.

Exclusions

- D.** This endorsement does not apply to, and no coverage is provided for leakage from an automatic fire extinguishing system caused by sudden **earth movement** for any **covered property** situated in or at the following state(s) and location(s) when marked with an (X):
1. (<< FILLIN X OR SPACE>>) The State of Alaska;
 2. (<< FILLIN X OR SPACE>>) The State of California;
 3. (<< FILLIN X OR SPACE>>) The State of Hawaii;
 4. (<< FILLIN X OR SPACE>>) The State of Nevada;
 5. (<< FILLIN X OR SPACE>>) The area defined in this Commercial Property policy as **New Madrid**;
 6. (<< FILLIN X OR SPACE>>) The area defined in this Commercial Property policy as **Puget Sound**;
 7. (<< FILLIN X OR SPACE>>) The Commonwealth of Puerto Rico; and

*Exclusions
(continued)*

8. (<< FILL IN X OR SPACE >>) Any other location(s) shown below:

Location

<<ENTER LOCATION>>

Refer to the last page of this endorsement for the Schedule of States and Locations for which coverage is provided by this endorsement.

Schedule of Covered States and Locations

Covered State or Location	Limit of Liability Per Occurrence	Limit of Liability in any one (1) policy year	Deductible Flat Amount	Deductible Percentage	Deductible Minimum
<<ENTER STATE OR LOCATION>>	<<ENTER APPROPRIATE AMOUNT>>	<<ENTER APPROPRIATE AMOUNT>>	<<ENTER APPROPRIATE AMOUNT>>	<<ENTER APPROPRIATE AMOUNT>>	<<ENTER APPROPRIATE AMOUNT>>

Policy number
Issued by

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Errors and Omissions

This endorsement modifies insurance provided under the following:

EXTENSIONS OF COVERAGE, Form PK 10 02

Errors and Omissions

A. The following is added to Item **A.** Standard Extensions of Coverage:

Errors and Omissions

If a **covered loss** is not payable under this Commercial Property policy solely because of an error or unintentional omission made by **you**:

- a.** In the description of where **covered property** is physically located;
 - b.** To include any location:
 - (1)** Owned, rented or leased by **you** on the **effective date** of this Commercial Property policy; or
 - (2)** Purchased, rented or leased by **you** during the term of the policy; or
 - c.** That results in cancellation of the property insured under this Commercial Property policy, except for cancellation due to nonpayment of premium.
-

Limit of Liability

B. **We** will pay for the amount **we** would have paid had the error or omission not been made, but not exceeding \$<<ENTER APPROPRIATE AMOUNT>> **limit of liability**.

The **limit of liability** shown in this endorsement does not increase and is not in addition to any other applicable **limit of liability**.

Exclusion

C. This coverage does not apply if coverage is found, in whole or in part, elsewhere in this Commercial Property policy.

Policy number
Issued by

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Fine Arts

This endorsement modifies insurance provided under the following:

COVERAGES, Form PK 10 01
PROPERTY NOT COVERED, Form PK 10 04
CONDITIONS, Form PK 10 06

Fine Arts

We will pay for **covered loss** to **your fine arts** shown on the Schedule of this endorsement, subject to the following additional exclusions, special conditions and valuations.

Additional Exclusions

A. Additional Exclusions

We will not pay for:

1. Damage sustained from any repairing, restoration, or retouching process;
2. Breakage of art glass windows, statuary, marble, glassware, porcelains, and similar fragile articles, unless caused by fire, lightning, aircraft, theft or attempted theft, **wind** associated with a **named storm**, explosion, vandalism, collision, and, if separately covered in this Commercial Property policy by endorsement: **earth movement, flood**;
3. Loss or damage to your **fine arts** while away from a **covered location** except **fine arts** on exhibit reported or listed on the Schedule of this endorsement.

Special Conditions and Valuations

B. Special Conditions and Valuations

1. **You** agree that **your fine arts** will be packed and unpacked by competent packers if **your fine arts** are moved to and from a **covered location** to a place of exhibition reported or listed on the Schedule of this endorsement.
2. **We** will pay the appraised value of **your fine arts** reported or listed on the Schedule of this endorsement at the time of loss or damage. If no appraisal is available, the value will be the fair market value at the time of loss or damage.
3. In the event of the total loss of an article or articles which are a part of a pair or set, **we** will pay **you** the full amount of the value of such set as specified in the Schedule of this endorsement, and **you** will surrender the remaining article or articles of the set to **us**.

Special Conditions
and Valuations
(continued)

4. We will cover **fine arts you** acquire during the **policy period**, for up to ninety (90) days. To continue this coverage beyond ninety (90) days, **you** must:
- a. Report each item of **fine arts** to **us** prior to the end of the ninety (90) days; and
 - b. Pay premiums from the date **you** acquired the **fine arts**.

Limits of Liability

- C. We will pay the lesser of:
- 1. The applicable **limit of liability** shown in the Schedule of this endorsement; or
 - 2. \$<<LIMIT PER OCCURRENCE>> for all loss or damage to **your fine arts** in any one (1) **occurrence**.

These **limits of liability** do not increase and are not in addition to any other applicable **limit of liability**.

Schedule

Covered Location	Description of Fine Arts	Limit of Liability	Exhibit Location
<<ENTER LOCATION OR PER SCHEDULE OF FINE ARTS ON FILE WITH US>>	<<ENTER DESCRIPTION OR SEE SCHEDULE>>	<<ENTER LIMIT OR SEE SCHEDULE>>	<<EXHIBIT LOCATION>>

Policy number
Issued by

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Flood

This endorsement modifies insurance provided under the following:

EXCLUSIONS, Form PK 10 03

Flood

- A. We** will pay for direct physical loss or damage to **covered property** caused by **flood** within a state(s) or at a location(s) shown on the Schedule of this endorsement

In addition, if coverage is provided for **business income** or **extra expense** in Item **B.** of DECLARATIONS, Form PK 10 00, **we** will pay for **covered loss of business income** or **extra expense** that results from direct physical loss or damage to **covered property** caused by **flood** within a state(s) or at a location(s) shown on the Schedule of this endorsement.

All **flood** losses within a continuous seventy-two (72) hour period will be considered a single **occurrence**. The expiration of this Commercial Property policy will not reduce this seventy-two (72) hour period.

Limit of Liability

B. Limit of Liability

The following **limits of liability** do not increase and are not in addition to any other applicable **limit of liability**.

1. The most **we** will pay for all loss or damage, including any loss of **business income** or **extra expense**, for each **occurrence of flood** loss within a state(s) or at a location(s) shown on the Schedule of this endorsement, will be the lesser of the applicable **limit of liability** shown on:
 - a. DECLARATIONS, Form PK 10 00;
 - b. EXTENSIONS OF COVERAGE, Form PK 10 02;
 - c. The Schedule of this endorsement for the particular state or the particular location(s); or
 - d. Any other applicable endorsement to this Commercial Property policy.
2. The most **we** will pay for all loss or damage caused by **flood** including any loss of **business income** or **extra expense**, during any one (1) policy year is \$<<ENTER APPROPRIATE AMOUNT>>.

Deductible

C. Deductible

1. **We** will not pay for **flood** loss until the loss exceeds either the applicable flat amount deductible, or percentage deductible, shown for the particular state or the particular location(s) shown on the Schedule of this endorsement. **We** will then pay the amount of loss in excess of the applicable deductible, up to the applicable **limit of liability**.
2. If a percentage deductible is shown on the Schedule of this endorsement, the deductible amount will be the greater of the following:
 - a. The sum of multiplying the deductible percentage shown on the Schedule of this endorsement for a particular state or location(s) times:
 - (1) The total reported values on file with **us** for the **covered property** at the **covered location** when and where the loss occurred; plus
 - (2) The full annual **business income** value which **you** would have earned in the twelve (12) month period following the loss had no loss occurred; or
 - b. The corresponding minimum deductible amount also shown for the particular state or the particular location(s).
3. These deductibles do not apply to **covered property in transit**.
4. If indicated by an asterisk (*) after the deductible amount, a separate deductible amount will apply to any **covered property**, loss of **business income, extra expense**, or any other coverage or peril listed on the Schedule of this endorsement.

Exclusions

D. Exclusions

- a. This endorsement does not apply to, and no **flood** coverage is provided for, the following coverage(s):

<<ENTER COVERAGE(S) or NOT APPLICABLE>>
- b. This endorsement does not apply to, and no **flood** coverage is provided for, any **covered property** situated in or at the following state(s) and locations(s):

<<ENTER LOCATION(S) or NOT APPLICABLE>>

Refer to the last page of this endorsement for the Schedule of state(s) and location(s) for which **flood** coverage is provided by this endorsement.

Schedule of Covered States and Locations

Covered State or Location	Limit of Liability Per Occurrence	Limit of Liability in any one (1) policy year	Deductible Flat Amount	Deductible Percentage	Deductible Minimum
<<ENTER STATE OR LOCATION>>	<<ENTER APPROPRIATE AMOUNT>>	<<ENTER APPROPRIATE AMOUNT>>	<<ENTER APPROPRIATE AMOUNT>>	<<ENTER APPROPRIATE AMOUNT>>	<<ENTER APPROPRIATE AMOUNT>>

Policy number
Issued by

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Food Borne Contamination

This endorsement modifies insurance provided under the following:

EXTENSIONS OF COVERAGE, Form PK 10 02

Food Borne Contamination

A. The following is added to Item **A.** Standard Extensions of Coverage:

1. When the *Public Health Authority* requires that **your** location(s) be closed due to the discovery of, or suspicion of, *food borne contamination*, **we** will pay for:
 - a. **Your** cost to clean **your** equipment per *Public Health Authority* requirements; and
 - b. **Your** cost to replace consumable goods in **your** possession declared contaminated by the *Public Health Authority*.

Business Income

2. If **you** have elected to purchase **business income** by marking an (X) in Item **B.** of DECLARATIONS, Form PK 10 00, **we** will pay the actual loss **you** sustain for:
 - a. Loss of **business income** until **your** location(s) has been cleared by the *Public Health Authority*;
 - b. The reasonable and necessary extra cost of advertising to restore **your** business.

Limit of Liability

3. The most **we** will pay in any one occurrence for loss under this endorsement is \$<<ENTER APPROPRIATE AMOUNT>>.

The **limit of liability** shown in this endorsement does not increase and is not in addition to any other applicable **limit of liability**.

Definitions

B. As used in this endorsement, the following italicized terms have the following definitions:

1. *Public Health Authority* means the governmental authority having jurisdiction over **your** operations relating the health and hygiene standards to protect the general public.

*Definitions
(continued)*

2. *Food borne contamination* refers to unintentional contamination of food that is capable of causing poisoning, disease, illness, physical distress or death, including a communicable disease that may have been transmitted by one or more of **your** employees, but does not include anything caused by or resulting, directly or indirectly, from nesting, infestation, discharge or release of waste products, or secretions, by insects, birds, rodents or other animals.

Policy number
Issued by

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Foreign Locations - Extension of Territorial Condition

This endorsement modifies insurance provided under the following:

CONDITIONS, Form PK 10 06

Policy Period and Territory

Item **U. Policy Period** and Territory is amended to include the following additional clause:

Extension of Policy Territory

1. Extension of Policy Territory

a. **We** will also pay for direct physical loss or damage to **covered property** of the type insured by this Commercial Property policy as the result of a **peril insured against** during the **policy period**:

(1) At **your** foreign location(s) listed in Item **B.** on the Schedule of this endorsement; and

(2) If a sublimit of liability is shown in Item **A.** on the Schedule of this endorsement for the following, than at the corresponding:

a. **New location(s)**; or

b. **Unscheduled location(s)**;

which are outside the continental United States of America, Hawaii and Puerto Rico, subject to all of the terms and conditions set forth in this endorsement and elsewhere in this Commercial Property policy, including any applicable **limits of liability**.

b. **We** cannot, however, provide coverage in any nation with which United States companies are not permitted to do business, or which are or become subject to trade sanctions by the government of the United States during the **policy period**.

Limit of Liability

2. Limit of Liability

a. All **limits of liability** or sublimits of liability in this Commercial Property policy will apply to **your** covered foreign location(s), including those **limits of liability** and sublimits of liability provided in Items **A.** and **B.** on the Schedule of this endorsement, except that:

Limit of Liability
(continued)

- (1) Coverage for **earth movement** sprinkler leakage does not apply to any foreign location(s) unless Earth Movement Sprinkler Leakage, Form PK 04 05, is attached to this Commercial Property policy, and a **limit of liability** for foreign locations is shown on that form (which is an applicable **limit of liability**);
 - (2) Coverage for **earth movement** does not apply to any foreign location(s) unless Earth Movement, Form PK 04 04, is attached to this Commercial Property policy, and a **limit of liability** for foreign locations is shown on that form (which is an applicable **limit of liability**);
 - (3) Coverage for **flood** does not apply to any foreign location(s) unless Flood, Form PK 04 08, is attached to this Commercial Property policy, and a **limit of liability** for foreign locations is shown on that form (which is an applicable **limit of liability**).
- b. When **you** have other primary or local insurance provided by **us** or by **our** subsidiaries, partners, or associated insurance companies, any claim payable under both the primary or local policy and this Commercial Property policy will be coordinated. Coverage available under this Commercial Property policy for the loss or damage will be reduced to the extent of any payment made under such primary or local insurance.

*Difference in
Conditions: Definition
and Warranty*

3. Difference in Conditions: Definition and Warranty

- a. **We** will provide primary insurance coverage for only those foreign locations/exposures shown on the Schedule of this endorsement that do not have other primary or local insurance. If a loss occurs to **covered property** insured by a portion of this Commercial Property policy, then **we** will pay that portion of the loss as though this Commercial Property policy provided primary coverage.
- b. If a **covered loss** occurs to **covered property** insured by other primary or local insurance, other than such other primary or local insurance provided by **us** or by **our** subsidiaries, partners, or associated insurance companies, **we** will pay up to **our** applicable **limit of liability** after the coverage provided by the primary or local insurance is exhausted. In no event will this insurance contribute to any primary or local insurance. The **limits of liability** under this Commercial Property policy will be reduced by an amount equal to the amount collectible under primary or local insurance provided by **us** or by **our** subsidiaries, partners, or associated companies.
- c. All specific primary or local policies in force at the inception of this Commercial Property policy must be maintained during the term of this Commercial Property policy. Any renewals or replacements of such specific primary or local policies must not be more restrictive than the current coverage provided by such specific primary or local policies.
- d. Any coverage provided by any underlying policy(ies) that is not provided in this Commercial Property policy does not extend to this Commercial Property policy.

Deductible

4. Deductible

Unless shown otherwise on Additional Deductibles and Waiting Periods, Form PK 03 01, the deductibles and waiting periods of this Commercial Property policy will apply to **your** scheduled foreign locations. However, if **you** have other primary or local insurance provided by **us** or by **our** subsidiaries, partners, or associated insurance companies, and **you** incur a claim payable under both the primary or local policy and this Commercial Property policy, the claim will be coordinated, and the largest of all applicable deductibles and waiting period will be applied.

Inland Transit

5. Inland Transit

Unless shown in Item **A.6.** on the Schedule of this endorsement, **we** will not pay for inland **transit** losses. Inland **transit** excludes shipments by air or ocean **transit**.

Currency

6. Currency

a. Unless otherwise stated, amounts shown on this Commercial Property policy are expressed in the currency of the United States of America, all losses payable under this Commercial Property policy will be paid in United States Dollars (USD). Amounts paid to or received by **you** in any other currency will be converted to United States Dollars at the rate of exchange published in the Wall Street Journal on the date of **your** settlement of the loss.

b. We will pay up to \$<<ENTER LIMIT OF LIABILITY OR NO COVERAGE >> in any one (1) **occurrence** if:

(1) You suffer a **covered loss**; and

(2) The primary or local policy responding to a **covered loss** does not pay part of that loss because of currency devaluation.

(3) The insured agrees to adjust the underlying policy(ies) values as a result of such devaluation within thirty (30) days after the date of the currency's devaluation.

We will pay only deficiency caused by the devaluation, and only up to the amount shown above. **You** will promptly notify **us** of any such losses resulting from currency's devaluation.

Coinsurance Deficiency

7. Coinsurance Deficiency

a. We will pay up to \$<<ENTER LIMIT OF LIABILITY OR NO COVERAGE >> in any one (1) **occurrence** for any loss **you** sustain resulting from the application of a coinsurance or average clause forming a part of any

*Coinsurance Deficiency
(continued)*

applicable primary or local policy **you** purchase as part of the controlled master program. If, after determining the amount of loss under such other insurance, **you** are unable to collect the full amount of loss because of the operation of a coinsurance or average clause, **we** will pay the difference between the amount of loss recoverable under the other insurance, and the full amount of loss, subject to the limit contained in this paragraph.

- b. **We** will not pay if **you** are unable to recover the full amount of loss under the other insurance because **you** deliberately under-insure **your** property(ies).

*Tenants' and Neighbors'
Liability*

8. Tenants' and Neighbors' Liability

- a. **We** will pay up to \$<<ENTER LIMIT OF LIABILITY OR NO COVERAGE >> in any one (1) **occurrence** for any of the following:
 - (1) Liability **you** incur as tenant under the articles of any civil or commercial code, because of damage to **covered property** by a **peril insured against**;
 - (2) Loss **you** may incur under the articles of any civil or commercial code for damage by a **peril insured against** to neighbors property and co-tenants spreading from a scheduled foreign location; or
 - (3) Liability **you** incur as landlord under articles of any civil or commercial code, for damage to **personal property** of tenants by a **peril insured against** resulting from constructional defects or lack of maintenance.
- b. This coverage only applies to liability incurred in those countries in which the Napoleonic or a similar Civil Code applies, including Belgium, France, the French Territories, Greece, Italy, Luxembourg, Portugal and Spain.

Income Tax Liability

9. Income Tax Liability

- a. If **you** have a **covered loss** that results in a tax liability, **we** will pay up to \$<<ENTER LIMIT OF LIABILITY OR NO COVERAGE >> in any one (1) **occurrence** per the following formula:

$$\frac{C - A}{1 - B} - C$$

where:

- A = Local tax benefit received where the loss occurred.
- B = The effective tax rate in the country where a **covered loss** is paid. The tax rate shall be the corporate tax rate in effect for the fiscal year the loss occurred.
- C = Actual loss otherwise payable under this Commercial Property policy, except for the operation of this clause.

Income Tax Liability
(continued)

Should the local tax benefit where the **covered loss** occurred be equal to or greater than the loss payable under this clause, then this formula will not apply.

- b. **We** will not pay until completion of audited tax periods for both the U.S. parent and local foreign subsidiary covered under this Commercial Property policy. Losses will be adjusted and reduced by applicable tax credits and/or tax relief **you** receive and/or are entitled to, provided that an income tax liability is incurred.

Royalties, Licensing Fees/Technical Fees, Commissions, Dividends

10. Royalties, Licensing Fees/Technical Fees, Commissions, Dividends

We will pay up to \$<<ENTER LIMIT OF LIABILITY OR NO COVERAGE >> in any one (1) **occurrence** for loss of royalties, licensing and technical fees, commissions and/or dividends which **you** would have earned under such agreements between **you** and others, but which were not earned as a result of physical damage to the property of others, caused by the **perils insured against** under this Commercial Property policy.

Excess Insurance

11. Excess Insurance

You may purchase excess insurance over the **limit(s) of liability** of this Commercial Property policy. Such excess insurance will not be subject to the Other Insurance clause of this Commercial Property policy and will not reduce **our limit(s) of liability** under this Commercial Property policy.

Additional Exclusions

12. Additional Exclusions

We will not pay for loss or damage caused by or resulting from any of the following, regardless of any other cause or event, including a **peril insured against**, that contributes to the loss at the same time or in any other sequence:

- a. **We** will not pay for non-recovery under primary or local insurance due to insolvency, bankruptcy or any other financial failure of such primary or local insurer. This clause will not apply to primary or local insurance provided by **us** or by **our** subsidiaries, partners, or associated insurance companies.
- b. Consorcio Exclusion

We will not pay for losses in Spain, or Spanish territories which fall under the regulation of the Consorcio De Compensacion De Seguros ("Consorcio") resulting from such losses declared by the Consorcio to be within their conditions of coverage. This exclusion applies regardless of payment, delays in payment or denial of claim by the Consorcio. However, if **you** are unable to collect the full amount of the loss from the Consorcio or other primary or local insurance, and the loss is a **covered loss** under this Commercial Property policy, **we** will pay **you** the difference between the amount recoverable from the Consorcio or other primary or local insurance and the full amount of the **covered loss**.

Additional Exclusions
(continued)

- c. **Flood** in the Netherlands. For the purposes of this exclusion, **flood** includes loss resulting from damage, destruction and overflowing of dikes, floodgates and other similar items, whether or not the resulting **flood** is due to a **peril insured against**.
- d. **We** will not pay for any loss in France or upon French Territory (except Andorra and Monaco) that falls under French Law (Article 82600 of July 13, 1982), and is declared a natural disaster by French Government and published in the "official journal" of the French Republic by an interministerial decree.
- e. *Sturmflut* in Bundeslaender and Hanseastaedte (states) of Schleswig - Holstein, Niedersachsen, Mecklenburt - Vorpommern, Bremen and Hamburg, in Germany.

For the purpose of this provision, the italicized term *Sturmflut* means a general and temporary condition of partial or complete inundation of dry land areas caused by or resulting from the overflow of river, lake, bay, estuary or tidal waters because of the rapid accumulation of runoff or surface waters from any source or from wind driven storm surge, tidal waves, high tide, flood tide, wave wash or tsunami.

- f. Norsk Naturskadepool Exclusion

We will not pay for losses in Norway, or Norwegian territories which fall under the regulation of the Norsk Naturskadepool (Norwegian Natural Perils Pool ("NNP")) resulting from such losses covered by the NNP and within their conditions of coverage. This exclusion applies regardless of payment, delays in payment or denial of claim by the NNP. However, if **you** are unable to collect the full amount of the loss from the NNP or other primary or local insurance, and the loss is a **covered loss** under this Commercial Property policy, **we** will pay **you** the difference between the amount recoverable from the NNP or other primary or local insurance and the full amount of the **covered loss** subject to the **limits of liability** for such coverage under this Commercial Property policy.

- g. **We** will not pay for losses where insurance is available through the South African Strikes Riot Insurance Association (SASRIA) as respects to property located within the Republic of South Africa.

- h. *Terrorism* Exclusion

Except as provided in Item **12.i.** or as shown on Schedule **B.** of this endorsement, **we** will not pay for loss or damage caused directly or indirectly by *terrorism*, including action in hindering or defending against an actual or expected incident of *terrorism*. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

For the purpose of this endorsement, the italicized term *terrorism* means activities against persons, organizations or property of any nature that involve the following or preparation for the following:

*Additional Exclusions
(continued)*

- (1) Use or threat of force or violence; or
- (2) Commission or threat of a dangerous act; or
- (3) Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and

When one (1) or both of the following applies:

- (1) The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
- (2) It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

In any action, suit or other proceedings regarding this exclusion, it is up to **you** to prove that the loss is covered.

i. Terrorism Pools and Acts Exclusion

We will not pay for *terrorism* losses which fall under the regulation of the following Acts or Pools:

- (1) Terrorism Insurance Act 2003 (Australian Reinsurance Pool Corporation ("ARPC")) and
- (2) Dutch Terrorism Risk Reinsurance Company ("NHT")

This exclusion applies regardless of payment, delays in payment or denial of a claim. However, if **you** are unable to collect the full amount of the loss from the Act or Pool above or other primary or local insurance and the loss is a **covered loss** under this Commercial Property policy, **we** will pay **you** the difference between the amount recoverable from the Act or Pool above or other primary or local insurance and the full amount of the **covered loss** subject to the limits for such coverage under this Commercial Property policy.

*Business
Interruption –
Gross Profit*

13. Business Interruption – *Gross Profit*

For those locations with loss of **business income** coverage shown on the Schedule of this endorsement, and for which the underlying policy provides business interruption coverage under a *gross profit* type coverage form, any loss under this Commercial Property policy will be adjusted as follows:

- a. In the event of a loss, **we** will pay up to the adjusted **limit of liability** shown in Item **B.** on the Schedule of this endorsement for loss of **business income** for the actual loss sustained by **you** of *gross profit* as defined in Item **13.d.(1)**. Amounts payable will be limited to loss resulting from:

- (1) *Reduction in sales*; and
 - (2) *Increased cost of working*.
- b. The amount payable will be calculated as follows:
- (1) **Your** *reduction in sales* which is the sum produced by applying the *rate of gross profit* to the amount by which the *sales* during the *period of indemnity* will fall short of the *standard sales*; plus
 - (2) **Your** *increased cost of working* which are the additional expenditures necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the *reduction in sales* which, but for that expenditure, would have taken place during the *period of indemnity*, but not exceeding the sum produced by applying the *rate of gross profit* to the amount of the reduction thereby avoided; less
 - (3) Any sum saved by **you** during the *period of indemnity* with respect to such of **your** *fixed charges* as may cease or be reduced because of such interruption of business.
 - (4) It is understood and agreed that:
 - (a) If any *fixed charges* of **your** business are not insured, then, in computing the amount recoverable hereunder as *increased cost of working*, that proportion only of the additional expenditure will be recoverable hereunder which the sum of the *net profit* and **your** *fixed charges* bears to the sum of the *net profit* and all the *fixed charges*;
 - (b) If during the *period of indemnity* goods will be sold or services will be rendered elsewhere than at the described locations for the benefit of the business, either by **you** or by others on **your** behalf, the money paid or payable in respect of such *sales* or *services* will be included in arriving at the amount of *sales* during the *period of indemnity*. **You** agree to use any suitable property or service, owned or controlled by **you** or obtainable from other sources, in order to continue *sales* and reduce the loss.
 - (c) **You** further agree to:
 - (i) Act with due diligence and dispatch in repairing or replacing physically damaged property to the same or equivalent physical and operating conditions that existed prior to damage; and
 - (ii) Take whatever actions are necessary and reasonable to minimize the loss payable under this provision.
- c. **We** will not pay for:
- (1) Any loss during any idle period. Idle period includes, but is not limited to, any period when production, operation or service would cease or be prevented due to:

Business
Interruption –
Gross Profit
(continued)

- (a) Physical damage not insured under this Commercial Property policy on or away from the **covered location**;
 - (b) Planned or rescheduled shutdown or maintenance;
 - (c) Strikes or other work stoppage; or
 - (d) any reason other than a **covered loss**.
- (2) Fines or damage for breach of contract for late or non-completion of orders, or for penalties of any nature.
- (3) Any loss resulting from loss or damage to property in **transit**.
- (4) Loss with respect to any additional time required for making changes to the buildings, structures, or equipment, for any reason, nor any additional time required for restaffing or retraining employees, nor any additional time due to **your** inability to resume operations regardless of the reason.
- d. For the purpose of this clause, the italicized terms below are defined as follows:
- (1) *Gross profit* means the amount produced by adding to the *net profit* the amount of your *fixed charges*, or if there is no *net profit* the amount of **your** *fixed charges* less that proportion of any loss from business operations as the amount of the insured *fixed charges* bears to all *fixed charges*.
 - (2) *Net profit* means the net operating profit (exclusive of all capital receipts and accruals and all outlay properly chargeable to capital) resulting from **your** business at **your** locations after due provision has been made for all *fixed charges* and other expenses including depreciation but before the deduction of any taxes on profits.
 - (3) *Fixed charges* means all *fixed charges* unless specifically excluded herein.
 - (4) *Sales* mean the money paid or payable to **you** for goods sold and delivered and for services rendered in the conduct of **your** business at the described premises.
 - (5) *Rate of gross profit* means the *gross profit* rate earned on the *sales* during the twelve (12) full calendar months immediately before the date of the physical damage to the described property. In determining the *rate of gross profit* due consideration will be given to the experience of the business before the date of damage or destruction and the probable experience thereafter had no loss occurred.
 - (6) *Standard sales* means the *sales* during the period in the twelve (12) months immediately before the date of the physical damage to the described property which corresponds with the *period of indemnity*. In determining *standard sales* due consideration will be given to the experience of the business before the date of damage or destruction and the probable experience thereafter had no loss occurred.

Business
 Interruption –
 Gross Profit
 (continued)

(7) *Period of indemnity* means the period beginning with the date of the physical damage to the described property and ending not later than twelve (12) months thereafter during which period the results of the business will be directly affected in consequence of the damage.

Schedule

A. Optional Extensions of Coverage for Foreign Locations – Sublimits of Liability

The sublimits of liability shown below apply to the Optional Extensions of Coverage defined in EXTENSIONS OF COVERAGE, Form PK 10 02. These sublimits of liability replace any sublimits of liability shown in Item D.

4. Optional Extensions of Coverage, on DECLARATIONS, Form PK 10 00, for any foreign locations. If no sublimit is shown, no coverage is provided.

1. \$<<ENTER SUBLIMIT OF LIABILITY OR NO COVERAGE>> at each foreign **new location**, for up to <<ENTER NUMBER OF DAYS>> days from the date such **new location(s)** is first purchased or rented, whichever is earlier;
2. \$<<ENTER SUBLIMIT OF LIABILITY OR NO COVERAGE>> Demolition Cost;
3. \$<<ENTER SUBLIMIT OF LIABILITY OR NO COVERAGE>> Increased Construction Cost;
4. \$<<ENTER SUBLIMIT OF LIABILITY OR NO COVERAGE>> Operation of Building Laws;
5. \$<<ENTER SUBLIMIT OF LIABILITY OR NO COVERAGE>> on covered **personal property** in the custody of salespeople;
6. \$<<ENTER SUBLIMIT OF LIABILITY OR NO COVERAGE>> **Transit**;
7. \$<<ENTER SUBLIMIT OF LIABILITY OR NO COVERAGE>> at each foreign **unscheduled location**.

B. Schedule Foreign Locations

No. Loc or Sub-Location	Coverage	Limit of Liability	Per Occurrence
<<ENTER LOCATION NUMBER>>	<<ENTER COVERAGE>>	<<ENTER APPROPRIATE AMOUNT>>	<<ENTER APPROPRIATE AMOUNT>>

Policy number
Issued by

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Package Solution Plus™
for Green Organizations

This endorsement modifies insurance provided under the following:

COVERAGES, Form PK 10 01
EXTENSIONS OF COVERAGE, Form PK 10 02
PROPERTY NOT COVERED, Form PK 10 04

A. The coverage provided by this Commercial Property policy for a **covered loss** is extended as follows:

*Recommissioning/
Recertifying **Your**
Green Building(s)*

1. **Recommissioning/Recertifying *Your Green Building(s)***

In the event of a **covered loss** to **your green building(s)**, **we** will pay up to a sublimit of liability of \$<<Enter appropriate amount>> for any one (1) **occurrence** for the following costs and expenses **you** incur to recommission and recertify the subject *green building(s)* to the same certification level (or, at **your** option, one (1) certification level higher) that existed at the time of the **covered loss**, provided that these costs and expenses are reasonable and necessary:

- a. Any engineering or professional oversight of the reconstruction required by the applicable certification for **your green building(s)**;
- b. Any testing or documentation that the reconstruction was done as required by the applicable certification for **your green building(s)**;
- c. Any temporary HVAC systems used during reconstruction as required by the applicable certification for **your green building(s)**;
- d. Any *flush out* of **your green building(s)** as required by the applicable certification for **your green building(s)**; and
- e. Any *recertification fee* **you** incur to recertify **your** certified *green building(s)*.

As used in this endorsement, the italicized term *green building(s)* means **your** building(s) that have been certified by one (1) or more of the following:

- a. U.S. Green Building Council's LEED® Certification Program; or
- b. Green Globes™ Certification Program.

As used in this endorsement, the italicized term *recertification fee* means the actual fee **you** incur for the final recertification of **your green building(s)**.

Recommissioning/
Recertifying **Your**
Green Building(s)
(continued)

As used in this endorsement, the italicized term *flush out* means ventilating **your** reconstructed *green building(s)* with outdoor air for the minimum time and period required to recommission **your green building(s)**, but not to exceed four (4) consecutive weeks.

Upgrade to Green Materials 2. Upgrade to Green Materials

In the event of a **covered loss**, **we** will pay up to:

- a. <<100% (default) (Options are 105%, 110%, 125%)>>% of the cost (before any upgrades covered by this extension) to repair or replace each individual item of **your** damaged **real property**, subject to the applicable valuation from VALUATIONS, Form PK 10 05, but only if coverage for **real property** is provided as shown in Item **B.** of DECLARATIONS, Form PK 10 00; and
- b. <<100% (default) (Options are 105%, 110%, 125%)>>% of the cost (before any upgrades covered by this extension) to repair or replace each individual item of **your** damaged **data processing equipment**, office furniture, trade fixtures, and improvements and betterments **you** have made in buildings **you** do not own (excluding any production equipment), subject to the applicable valuation from VALUATIONS, Form PK 10 05, but only if coverage for **personal property** is provided as shown in Item **B.** of DECLARATIONS, Form PK 10 00;

for any one (1) **occurrence** for the increased costs **you** incur to repair or replace each such individual damaged item with *green materials* of like kind, size, function, capacity and output as that damaged item.

However, **we** will not pay more under this coverage extension than \$<<ENTER APPROPRIATE AMOUNT>> for any one (1) **occurrence**. In addition, **we** will not pay more than \$<<ENTER APPROPRIATE AMOUNT>> under this coverage extension in any one (1) **policy period**.

For the purposes of performing the calculation in **2.a.** and **2.b.** above (subject to the other **limits of liability** contained herein and elsewhere in **your** policy, respectively), **we** will not consider or include any amounts that may be payable to **you** under the Optional Extensions of Coverage for Demolition Cost, Operation of Building Laws and Increased Construction Cost, if any.

As used in this endorsement, the italicized term *green materials* mean components of **real property**, **data processing equipment**, office furniture, trade fixtures, and improvements and betterments **you** have made in buildings **you** do not own (excluding any production equipment) that are recommended for use by one (1) or more of the following:

- a. U.S. Green Building Council's LEED® Certification Program; or
- b. Green Globes™ Certification Program.

Recycling Debris

3. Recycling Debris

The following is added to Item **A.4.** Debris Removal Expense of EXTENSIONS OF COVERAGE, Form PK 10 02:

In the event **you** elect to recycle **your** debris from a **covered loss**, **we** will pay for the additional cost of recycling (as opposed to disposing of) **your** debris, however **we** will not pay more than the applicable **limit of liability** for debris removal.

Vegetative Roofing System(s)

4. Vegetative Roofing System(s)

The coverage provided by this Commercial Property policy is extended to **your vegetative roofing system(s)** at **your green buildings**, except that in addition to the other exclusions and limitations in this Commercial Property policy, **we** will not pay for any loss or damage to any *vegetative roofing system(s)* that is caused by or results from any of the following:

- a. Disease, drought, freezing, thawing, or the presence, pressure or weight of ice, water or snow; or
- b. Any substance or organism, whether organic or inorganic, that feeds on, destroys, or is capable of damaging any *vegetative roofing system(s)*, but is not a substance or organism, whether organic or inorganic, that is capable of damaging the other components of **real property** at that **covered location**.

As used in this endorsement, the italicized term *vegetative roofing system(s)* means any roofing system that consist of soil, grass, trees, flowers or other vegetation.

Period of Restoration

5. Period of Restoration

In the event of a **covered loss**, if **you** elect to either recommission/recertify **your green building(s)** or upgrade to *green materials*, then the **period of restoration** associated with that **covered loss** will include the minimum additional time necessary for **you** to recommission/recertify **your green building(s)** or upgrade to *green materials*, using reasonable speed. In no event, however, will the **period of restoration** exceed twenty-four (24) months from the date of loss.

Limit of Liability

- B.** Except for **A.2.** above, the sublimits of liability shown in this endorsement do not increase any other applicable **limit of liability**.

Exclusion

- C.** This endorsement does not apply to **covered location(s)** or **covered property** shown in the Schedule of this endorsement.

Schedule

Location(s)

<<DESCRIBE LOCATIONS>>

Policy number
Issued by

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Guest Emergency Evacuation Due to Order by Civil Authority

This endorsement modifies insurance provided under the following:

EXTENSIONS OF COVERAGE, Form PK 10 02

*Guest Emergency
Evacuation*

The following is added to Item **A. Standard Extensions of Coverage**:

Guest Emergency Evacuation:

- a. **We** will reimburse **you** for the necessary expenses **you** incur to evacuate a **covered location** when a civil authority having jurisdictional authority orders **you** to evacuate the **covered location** because of imminent danger from a **peril insured against**.
- b. **We** will not reimburse **you** for any expenses arising out of any planned evacuation drill.
- c. The most **we** will pay in any one (1) **occurrence** for the necessary expenses is a **limit of liability** of \$<<ENTER LIMIT OF LIABILITY>>.
- d. The **limit of liability** payable under this extension of coverage does not increase and is not in addition to any other applicable **limit of liability**.

Policy number
Issued by

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Hotel Guest Relocation Expenses

This endorsement modifies insurance provided under the following:

EXTENSIONS OF COVERAGE, Form PK 10 02

Hotel Guest Relocation

The following is added to Item **A**. Standard Extensions of Coverage:

1. **We** will pay **you** the increased cost **you** incur as a result of relocation of **your** *hotel guest(s)* for whom prearranged hotel accommodations cannot be honored because of a **covered loss**.
2. **We** will pay **you** for the reasonable expenses **you** incurred to reimburse **your** *hotel guest(s)* for the cost:
 - a. To secure and use other comparable hotel accommodations within a reasonable distance to **your covered location**;
 - b. While traveling to and from **your covered location** to the location where the comparable hotel accommodations are secured; and
 - c. For prepaid amounts spent for activities away from the **covered location** which are lost because other comparable accommodations within a reasonable distance from **your covered location** are unavailable.
3. **We** will pay **you** for the reimbursed expenses of the *hotel guest(s)* for the time:
 - a. Beginning on the date the *hotel guest(s)* prearranged hotel accommodations at the **covered location** are:
 - (1) Scheduled to begin; or
 - (2) Interruptedwhichever is later; and
 - b. Ending on the earliest of the following dates:
 - (1) The date the *hotel guest(s)* prearranged hotel accommodations at the **covered location** are scheduled to end;
 - (2) The date the damaged property at the **covered location** should be repaired, rebuilt or replaced with reasonable speed; or
 - (3) Fourteen (14) days after the date determined in **3.a.** above.

*Hotel Guest
Relocation
(continued)*

4. The most **we** will pay to **you** for the reimbursed expenses of **your** *hotel guest(s)* is:
 - a. \$<<ENTER LIMIT OF LIABILITY>> per *hotel guest* in any one (1) **occurrence**; and
 - b. \$<<ENTER LIMIT OF LIABILITY>> in any one (1) **occurrence** for all **your** *hotel guests*.
5. For the purpose of this endorsement, the italicized term *hotel guest(s)* means a person or persons holding valid confirmed reservations or prearranged hotel accommodations at a location shown on the Schedule of DECLARATIONS, Form PK 10 00, of this Commercial Property policy.
6. The **limit of liability** payable under this extension of coverage does not increase and is not in addition to any other applicable **limit of liability**.

Policy number
Issued by

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Interruption of Services

This endorsement modifies insurance provided under the following:

EXCLUSIONS, Form PK 10 03

Interruption of Services

- A. We** will pay for physical loss or damage to **covered property**, loss of **business income** and **extra expense** resulting from an interruption of the electrical, heating, air conditioning, refrigeration, telecommunication, steam, water, sewer or fuel service to a **covered location**, but only if the interruption of service results:
1. From physical damage by a **peril insured against**;
 2. Away from a **covered location**;
 3. To the following, if marked with an (X), that directly supply service to the **covered location** and are either owned, managed or controlled by a company with whom **you** have a contract to supply these services to that **covered location** or are located within one (1) mile of the **covered location**:
 - a. (<<FILLIN X OR SPACE>>) Any electrical generating plant, substation, power switching station, transformer, gas compressor station, telephone switching facility;
 - b. (<<FILLIN X OR SPACE>>) Transmission and distribution lines, connections or supply pipes which furnish electricity, steam, gas, refrigeration, telecommunication, water or sewer to a **covered location** (other than overhead transmission and distribution lines);
 - c. (<<FILLIN X OR SPACE>>) Overhead transmission and distribution lines.

Exclusions

- B. We** will not pay for any physical loss or damage to **covered property**, loss of **business income** or **extra expense** due to any interruption of service from a satellite, regardless of cause.

Conditions

C. Conditions

This extension applies only to the Coverages marked with an (X) in Item **B.** of DECLARATIONS, Form PK 10 00, except for Equipment Breakdown.

Limit of Liability

D. Limit of Liability

We will not pay more than the applicable **limit of liability** shown on the Schedule of this endorsement for any one (1) **occurrence** at the **covered locations**. This **limit of liability** does not increase and is not in addition to any other applicable **limit of liability**.

Waiting Period

E. Waiting Period

1. If an interruption of service waiting period is shown below, **we** will only pay for loss of **business income**, **extra expense** or for **perishable goods** if the interruption exceeds the indicated waiting period. Once the waiting period is met, coverage will commence at the initial time of the interruption, and will be subject to any deductible shown in Item **F.** below.

2. The following interruption of service waiting period applies:

<<ENTER # OF HOURS>> Hours

Deductible

F. Deductible

The following deductible(s) will apply to any loss covered under this endorsement. No other deductible stated in this Commercial Property policy will apply to a loss covered under this endorsement.

1. Dollar Amount Deductible

- a. **We** will not pay unless a loss covered under this endorsement exceeds the policy deductible. **We** will then pay only the amount of loss in excess of this deductible, up to the applicable **limit of liability** of this endorsement.
- b. If a separate Time Deductible is shown in 2. below, the foregoing Dollar Amount Deductible does not apply to the loss of **business income** or **extra expense** portion of the loss covered under this endorsement, which will be subject to the following Time Deductible.

2. Time Deductible

- a. **We** will not pay for loss of **business income** or **extra expense** until an interruption of service exceeds a time period of <<ENTER # of HOURS and "hour(s)" following numeric value OR # of DAYS and "days(s)" following numeric value>> immediately following the loss covered under this endorsement. **We** will then pay only the amount of loss in excess of this deductible, up to the **limit of liability** of this endorsement.
- b. For a time deductible shown as days, each day consists of twenty-four (24) consecutive hours.

Schedule

Covered Location(s)

<<ENTER LOCATIONS>>

Limit of Liability

<<ENTER APPROPRIATE AMOUNT>>

Policy number
Issued by

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Loss of Business Income - Research and Development

This endorsement modifies insurance provided under the following:

COVERAGES, Form PK 10 01

Business Income
*Research and
Development*

- A.** In the event of a **covered loss** to a research and development operation, **we** will pay the actual loss of the following fixed charges incurred by the research and development operation which does not directly produce **business income**:
1. Administrative expenses;
 2. Interest on fixed indebtedness;
 3. Taxes other than income taxes;
 4. Insurance;
 5. Salaries or wages including vacation, holiday and sick leave pay of officers and employees whose service must be continued or who are employed under contracts guaranteeing annual compensation;
 6. Expense of heat, light and power; and
 7. Any other fixed charges directly related to research and development.
- B.** **We** will only pay these fixed charges to the extent they actually continue after the loss and only during the **period of restoration**.
- C.** To the extent **you** are able to resume operations, **we** will only pay that portion of the fixed charges related to that part of the research and development operation that has not yet been restored.
- D.** **We** will not pay more than \$**<<ENTER APPROPRIATE AMOUNT>>** in any one (1) **occurrence**.
- E.** The sublimit of liability shown in this endorsement does not increase and is not in addition to any other applicable **limit of liability**.

Policy number
Issued by

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Lost Master Key

This endorsement modifies insurance provided under the following:

EXTENSIONS OF COVERAGE, Form PK 10 02

Lost Master Key

The following is added to Item **A**. Standard Extensions of Coverage:

Lost Key Coverage:

- a. When a master key or grand master key is lost or damaged from a **covered loss**, **we** will pay the lesser of:
 - (1) The cost to re-key the current locks to accept new keys: or
 - (2) When needed, new locks including the cost of installation of the new locks.
- b. The most **we** will pay in any one (1) **occurrence** for the necessary expenses is a **limit of liability** of \$<<ENTER LIMIT OF LIABILITY>>.
- c. The **limit of liability** payable under this extension of coverage does not increase and is not in addition to any other applicable **limit of liability**.

Policy number
Issued by

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Miscellaneous Locations

This endorsement modifies insurance provided under the following:

EXTENSIONS OF COVERAGE, Form PK 10 02

Miscellaneous Locations

A. The following is added to Item **A.** Standard Extensions of Coverage:

Miscellaneous Locations

We will pay up to a **limit of liability** of \$<<ENTER APPROPRIATE AMOUNT>> for direct physical loss or damage by a **peril insured against to your personal property** and **personal property of others** while situated at a *miscellaneous location*.

Definition

B. For the purpose of this endorsement, the italicized term *miscellaneous location(s)* means a location other than:

1. A **covered location**;
2. A **new location**;
3. An **unscheduled location**;
4. A location where **covered property** is at an exhibition, exposition, fair or trade show; or
5. A location for which coverage is found, in whole or in part, elsewhere in this Commercial Property policy.

Limit of Liability

C. The **limit of liability** payable under this extension of coverage does not increase and is not in addition to any other applicable **limit of liability**.

Policy number
Issued by

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Mobile Equipment or Tools Extension

This endorsement modifies insurance provided under the following:

PROPERTY NOT COVERED, Form PK 10 04

Mobile Equipment or Tools

A. We will pay for direct physical loss or damage to **your mobile equipment or tools** resulting from a **peril insured against** while away from a **covered location** subject to the following sublimits of liability:

1. \$<<LIMIT PER OCCURRENCE or NO COVERAGE>> on any one (1) item or piece of **mobile equipment or tool you** acquire after the effective date of this Commercial Property policy;
2. \$<<LIMIT PER OCCURRENCE or NO COVERAGE>> on any one (1) item or piece of **mobile equipment or tool you** lease or rent from others; or
3. The **limits of liability** shown in the Schedule of this endorsement for all other **mobile equipment or tools**.

However, **we** will not pay more than \$<<LIMIT PER OCCURRENCE >> for all loss or damage to **your mobile equipment or tools** in any one (1) **occurrence**.

These **limits of liability** do not increase and are not in addition to any other applicable **limit of liability**.

Valuation

B. If marked with an (X), **covered loss to mobile equipment or tools** covered by this endorsement will be valued at the time and place of loss at:

(<<FILLIN X OR SPACE>>) **Replacement Cost**

Schedule

Description of Mobile Equipment or Tools	Manufacturer	Serial Number	Limit of liability
<<ENTER APPROPRIATE INFORMATION>>	<<ENTER MANUFACTURER>>	<<ENTER SERIAL NO.>>	<<ENTER APPROPRIATE LIMIT>>

Policy number
Issued by

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Personal Property or Personal Property of Others Sold Under an Installation Agreement

This endorsement modifies insurance provided under the following:

EXTENSION OF COVERAGE, Form PK 10 02

***Personal Property or
Personal Property of
Others Sold Under an
Installation Agreement***

A. We will pay for direct physical loss or damage by a **peril insured against to personal property or personal property of others you** have sold under an installation agreement, if **your** responsibility continues until the purchaser accepts the installation. Installation coverage applies to any non-owned location within the policy territory.

Limit of Liability

B. We will pay up to a **limit of liability** of \$<<ENTER LIMIT OF LIABILITY>> at any one (1) **occurrence**.

The **limit of liability** shown in this endorsement does not increase and is not in addition to any other applicable **limit of liability**.

Policy number
Issued by

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Package Solution Plus™

This endorsement modifies insurance provided under the following:

COVERAGES, Form PK 10 01
EXTENSIONS OF COVERAGE, Form PK 10 02
EXCLUSIONS, Form PK 10 03
PROPERTY NOT COVERED, Form PK 10 04
VALUATIONS, Form PK 10 05

Coverage Summary

1. Accounts Receivable
2. **Fine Arts**
3. Fire Extinguisher Recharge
4. **Media, Data and Software**
5. Public Safety Service Charge
6. **Valuable Papers and Records**

Combined Aggregate Limit

The most **we** will pay for all **covered loss** under this endorsement that result from a single occurrence is a \$<<ENTER APPROPRIATE LIMIT>> Combined Aggregate Limit for coverages **1.** through **6.** below.

This Combined Aggregate Limit does not increase and is not in addition to any other applicable **limit of liability**.

Accounts Receivable

1. The following is added to Item **A.** of EXTENSIONS OF COVERAGE, Form PK 10 02:
 - a. **We** will pay the following expenses **you** incur directly resulting from loss or damage by a **peril insured against** to **your** records of accounts receivable at a **covered location**:
 - (1) Amounts due **you** from customers that **you** are unable to collect;
 - (2) Interest charges on any loan to offset amounts **you** are unable to collect, Pending **our** payment of those amounts;
 - (3) Collection expense above **your** normal collection expense; and
 - (4) Reasonable expenses **you** incur to reestablish **your** records of accounts receivable.

Accounts Receivable
(continued)

- b.** For the purposes of this extension of coverage, the following additional exclusions apply and **we** will not pay for:
- (1)** Any loss that requires an audit or inventory to establish its existence;
 - (2)** Any fraudulent, dishonest or criminal act done by:
 - (a)** Anyone entrusted with the accounts receivables, including their employees and agents; or
 - (b)** Anyone having an interest in the accounts receivable.

This exclusion does not apply to the acts of a carrier for hire;
 - (3)** Bookkeeping, accounting, or billing errors or omissions; or
 - (4)** Wrongful alteration, falsification, manipulation, concealment, destruction, or disposal of records of accounts receivable, committed to conceal the wrongful giving, taking, getting, or withholding of money, securities, or other property.
- c.** When records of accounts receivable have been damaged or destroyed, **you** must use all reasonable efforts, including legal action if necessary, to obtain collection of any outstanding accounts receivable, and **we** will pay such costs and expenses of obtaining collection to the extent they reduce **your** loss.
- d.** When records of accounts receivable have been damaged or destroyed, **you** will use any property or service owned or controlled by **you** or obtainable from other sources in order to reduce **your** loss.
- e.** If **you** are unable to accurately determine the amount of outstanding accounts receivable at the time of loss, **our** payment will be calculated in the following manner:
- Your** average monthly accounts receivable amount, based on the twelve (12) months preceding the loss, adjusted for normal fluctuations in the month in which the loss occurs, or for any demonstrated variance for that month.
- f.** The following will be deducted from the total amount of accounts receivable, regardless of the method used to determine that amount:
- (1)** Balances for accounts not damaged or affected by the loss;
 - (2)** Amounts of accounts **you** are able to reestablish and collect;
 - (3)** An allowance for bad debts **you** are not normally able to collect; and
 - (4)** All unearned interest and service charges.

Fine Arts

- 2.** Item **O.** of PROPERTY NOT COVERED, Form PK 10 04, is modified to afford coverage as follows:

We will pay for a **covered loss** to your **fine arts** subject to the following:

Fine Arts
(continued)

- a. **We** will pay the lesser of following:
 - (1) The cost of reasonably restoring the **fine arts** to its condition immediately before the loss;
 - (2) The cost of replacing the **fine arts** with similar property; or
 - (3) The appraised value of the **fine arts**.
 - b. This extension does not apply:
 - (1) While the **fine arts** are away from the **covered location(s)**;
 - (2) To breakage of art glass windows, statuary, glassware, marble, porcelains, and similar fragile articles, unless caused by fire, lightning, aircraft, theft or attempted theft, **wind** associated with a **named storm**, explosion, vandalism or collision; or
 - (3) Damage sustained from any repairing, restoration or retouching process.
-

**Fire Extinguisher
Recharge**

- 3. The following is added to Item **A.** of EXTENSIONS OF COVERAGE, Form PK 10 02:
 - a. **We** will pay expenses **you** incur for any clean up and recharging of **your** fire extinguishing equipment in the event that a manual or automatic fire extinguisher device is discharged:
 - (1) To fight a fire;
 - (2) As the result of a **peril insured against**; or
 - (3) Due to accidental discharge.
-

**Media, Data and
Software**

- 4. Item **C.2.b.** of VALUATIONS, Form PK 10 05, is deleted and replaced with the following:
 - b. On **media, data**, programs or any other **software** stored on electronic, electromechanical, electromagnetic **data processing equipment** or production equipment, the cost of transferring such from backups or from originals of a previous generation.

If, as a result of a **covered loss**, **your** backups or originals of a previous generation are damaged and not useable or destroyed, **we** will pay for the costs **you** incur to research, engineer or restore the information lost.
-

**Public Safety
Service Charge**

- 5. The following is added to Item **A.** of EXTENSIONS OF COVERAGE, Form PK 10 02:
 - a. **We** will pay charges:
 - (1) **You** assume under any contract or agreement; or

Public Safety
Service Charge
(continued)

(2) You are required to pay by local ordinance,

In effect at the time of the **covered loss** if a fire department or other municipal agency charged with preserving public safety is called to save or protect the **covered property** at the **covered location** resulting from a **peril insured against**.

**Valuable Papers
and Records**

6. Item **C.2.a.** of VALUATIONS, Form PK 10 05, is deleted and replaced with the following:
- a. On **valuable papers and records**, the value of the blank document plus the cost of transferring such from backup or from originals of a previous generation.

If, as a result of a **covered loss**, **your** backups or originals of a previous generation are damaged and not useable or destroyed, **we** will pay for the costs **you** incur to research, engineer or restore the information lost.

Policy number
Issued by

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Spoilage of Perishable Goods While in Transit

This endorsement modifies insurance provided under the following:

EXTENSIONS OF COVERAGE, Form PK 10 02

*Spoilage of
Perishable Goods
While in Transit*

The following is added to Item **A.**:

Spoilage of **Perishable Goods** While in Transit

1. **We** will pay up to a sublimit of liability of \$<<ENTER APPROPRIATE AMOUNT>> in any one (1) **occurrence**, for spoilage of **perishable goods** while those goods are in **transit**, subject to an aggregate sublimit of liability of \$<<ENTER APPROPRIATE AMOUNT>> in any one (1) policy year.
2. **We** will only pay if losses result from **perils insured against**, or mechanical breakdown or malfunction of heating or cooling equipment.
3. **We** will not pay for:
 - a. **Your** actual loss of **business income** or **extra expense**; or
 - b. Loss or damage caused by mechanical breakdown or malfunction that results from failure to maintain adequate fuel levels for the heating or cooling equipment.
4. The sublimits of liability shown in this endorsement do not increase and are not in addition to any other applicable **limit of liability**.

Policy number
Issued by

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Territorial Definition

This endorsement modifies insurance provided under the following:

CONDITIONS, Form PK 10 06

Territorial Definition

Item **1.** of **U. Policy Period** and Territory is deleted and replaced with the following:

1. Within the continental United States of America, Hawaii, Puerto Rico, and <<FILLIN TERRITORY>>.

Policy number
Issued by

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Cap on Losses From Certified Acts of Terrorism

This endorsement modifies insurance provided under the following:

EXCLUSIONS, Form PK 10 03

Definitions

A. For the purpose of coverage provided by this endorsement, the italicized term:

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 Act. The criteria contained in the Terrorism Risk Insurance Act for a *certified act of terrorism* include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

If the aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and **we** have met **our** insurer deductible under the Terrorism Risk Insurance Act, **we** shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

Exclusions

B. Application of Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Commercial Property policy, such as losses excluded by the Nuclear Hazard Exclusion or the War and Military Action Exclusion under Item **A.** of EXCLUSIONS, Form PK 10 03, attached to this Commercial Property policy.

Policy number
Issued by

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Exclusion of Certified Acts of Terrorism

This endorsement modifies insurance provided under the following:

EXCLUSIONS, Form PK 10 03

Schedule

The Exception Covering Certain Fire Losses (Item **C.**) applies to property located in the following state(s), if covered under the indicated policy:

State(s)	Policy
<<ENTER STATE(S)>>	<<ENTER POLICY>>

Definitions

A. For the purpose of coverage provided by this endorsement, the italicized term:

1. *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 Act. The criteria contained in the Terrorism Risk Insurance Act for a *certified act of terrorism* include the following:
 - a. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
 - b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

Exclusions

B. The following exclusion is added:

Certified Act of Terrorism Exclusion

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

Exceptions

C. Exception Covering Certain Fire Losses

If a *certified act of terrorism* results in fire, **we** will pay for the loss or damage caused by that fire, but only in the states listed in the schedule of this endorsement. Such coverage for fire applies only to direct loss or damage by fire to **covered property**. Therefore, for example, the coverage does not apply to insurance provided under **business income** and/or **extra expense** coverage.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and **we** have met **our** insurer deductible under the Terrorism Risk Insurance Act, **we** shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

Other Exclusions

D. Application of Other Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Commercial Property policy, such as losses excluded by the Nuclear Hazard Exclusion or the War and Military Action Exclusion under Item **A.** of EXCLUSIONS, Form PK 10 03, attached to this Commercial Property policy.

Policy number
Issued by

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Additional Named Insured

This endorsement modifies insurance provided under the following:

CONDITIONS, Form PK 10 06

Additional Named Insured

We will provide insurance under this Commercial Property policy to each of the persons or organizations shown as an additional named insured on the Schedule of this endorsement.

We will adjust any **covered loss** only with **you**.

You will pay the premium for the insurance **we** provide to the additional named insureds. In the event that **you** become bankrupt or insolvent, each additional named insured shall pay the premium for the insurance it receives.

We will make **our** payment jointly to **you** and any person or organization shown on the Schedule of this endorsement.

Schedule

Additional Named Insured
<<ENTER DESCRIPTION>>

Location
<<ENTER LOCATION>>

Policy number
Issued by

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Additional Insured

This endorsement modifies insurance provided under the following:

CONDITIONS, PK 10 06

Additional Insured

We will provide insurance under this Commercial Property policy to each of the persons or organizations shown as an additional insured on the Schedule of this endorsement.

We will adjust any **covered loss** only with **you**.

We will make **our** payment jointly to **you** and any person or organization shown on the Schedule of this endorsement.

This endorsement applies only to **covered property** shown on the Schedule of this endorsement.

Schedule

Additional Insured

Covered Property/Location

Interest of
Additional Insured

<<ENTER COMPLETE
NAME>>

<<ENTER COMPLETE ADDRESS>>

<<ENTER INTEREST>>

Policy number
Issued by

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Exceeding Registered Lifting Capacity Exclusion

This endorsement modifies insurance provided under the following:

EXCLUSIONS, Form PK 10 03

*Additional
Group B Exclusion*

The following is added to Item **B.**:

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

The weight of a load exceeding the registered lifting or supporting capacity of any machine or equipment while under operating conditions at the time of the loss or damage.

Policy number
Issued by

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Payroll Expense Exclusion

This endorsement modifies insurance provided under the following:

COVERAGES, Form PK 10 01

Payroll Expenses

A. We will not pay **your** payroll expenses due to a **business income** loss resulting from necessary interruption of **your** business by a **peril insured against**.

Definition

B. For the purpose of this endorsement, *payroll expenses* means the *payroll expense* for all of **your** employees except:

1. Officers;
2. Executives;
3. Department managers; and
4. Employees under contract whose services must necessarily continue; and

Payroll expense includes:

1. Payroll, including taxes and charges dependant on the payment of wages;
 2. Employee benefits, if directly related to payroll;
 3. FICA payments **you** pay;
 4. Union dues **you** pay; and
 5. Workers compensation premiums.
-

Policy number
Issued by

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Wind and Hail Exclusion

This endorsement modifies insurance provided under the following:

EXCLUSIONS, Form PK 10 03
DEFINITIONS, Form PK 10 07

Wind and Hail

A. The following is added to Item **A.** of EXCLUSIONS, Form PK 10 03, but only with respect to the location(s) shown in the Schedule of this endorsement:

- 1. Wind or hail;** or
- Rain, snow, sand, or dust, whether driven by wind or not, if that loss or damage would not have occurred but for the **wind or hail**.

But if **wind or hail** results in a **covered loss** to **covered property** from a **peril Insured against**, we will pay for that loss or damage.

Specified Peril(s)

B. Item **O.O.** of DEFINITIONS, Form PK 10 07, is amended by deleting **wind** and **hail** but only with respect to the location(s) shown in the Schedule of this endorsement.

Schedule

Location(s)

<<ENTER LOCATION>>

Policy number
Issued by

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Wind Associated with a Named Storm Exclusion

This endorsement modifies insurance provided under the following:

EXCLUSIONS, Form PK 10 03

Named Storm

The following is added to Item **A.** of EXCLUSIONS, Form PK 10 03:

Wind associated with a **named storm** at the location(s) shown in the Schedule of this endorsement.

If loss or damage to **covered property** by fire or explosion ensues, **we** will pay for that loss.

Schedule

Location(s)

<<ENTER LOCATION>>

Policy number
Issued by

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Greens, Tees and Fairways

This endorsement modifies insurance provided under the following:

EXTENSIONS OF COVERAGE, Form PK 10 02
PROPERTY NOT COVERED, Form PK 10 04

*Greens, Tees and
Fairways*

- A.** Item **B.** of PROPERTY NOT COVERED, Form PK 10 04, is deleted and replaced by the following:
- B.** Water, land (including lawns, but excluding *greens, tees and fairways* as defined in Greens, Tees and Fairways, Form PK 22 01, to the extent they are covered by that endorsement) growing crops, or standing timber.

Specific Perils

- B.** The following is added to Item **A.** of EXTENSIONS OF COVERAGE, Form PK 10 02:

Greens, Tees and Fairways

We will pay for direct physical loss or damage to *greens, tees and fairways* caused by one (1) or more of the following specific perils at the **covered location(s)** described in the Schedule of this endorsement, unless otherwise excluded in this Commercial Property policy:

- a.** Fire;
- b.** Lightning;
- c.** Aircraft;
- d.** Explosion;
- e.** Riot;
- f.** Civil commotion;
- g.** Smoke or soot;
- h.** **Vehicles**;
- i.** **Wind** or **hail**;
- j.** Leakage or accidental discharge from automatic fire protection system;
- k.** Collapse; or

Specific Perils
(continued)

I. Vandalism.

Limit of Liability

C. The most **we** will pay in any one (1) **occurrence** covered under this endorsement is a **limit of liability** of \$<<ENTER LIABILITY AMOUNT>>.

The **limit of liability** shown in this endorsement does not increase and is not in addition to any other applicable **limit of liability**.

**Business Income or
Extra Expense**

D. If **you** have elected to purchase **business income** or **extra expense** by marking an (X) in **B**. Coverages of DECLARATIONS, Form PK 10 00, **we** will pay for the loss of **business income** or **extra expense**, up to the **limit of liability** shown in this endorsement.

**Additional
Definitions**

E. Additional Definitions

1. *Green(s)* means the area of very short grass specifically prepared for putting pursuant to the rules of golf. This includes flags and cups on a *green*.
2. *Tee(s)* means the area specifically prepared for starting each hole pursuant to the rules of golf. This is also known as the teeing ground. This includes ball washers, signs and markers located at a *tee*.
3. *Fairway(s)* means the area of short grass between the *tee* and the *green*.

Exclusions

F. For the purpose of this endorsement, plants, trees or shrubs are not covered.

Schedule

Location

<<FILL IN LOCATION ADDRESS>>

Policy number
Issued by

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Livestock

This endorsement modifies insurance provided under the following:

EXTENSIONS OF COVERAGE, Form PK 10 02
PROPERTY NOT COVERED, Form PK 10 04

Livestock Exception

A. Item **A.** of PROPERTY NOT COVERED, Form PK 10 04, is deleted and replaced by the following:

A. Animals, except to the extent they are covered by Livestock, Form PK 22 02.

Livestock Coverage

B. The following is added to Item **A.** of EXTENSIONS OF COVERAGE, Form PK 10 02:

Livestock

- 1.** **We** will pay for direct physical loss or damage caused by a **specified peril** to livestock while awaiting processing within one-thousand (1,000) feet of the **covered location**.
- 2.** Livestock will be valued at the fair market value at the time and place of loss.
- 3.** The most **we** will pay in any one (1) **occurrence** is a **limit of liability** of \$<<ENTER APPROPRIATE AMOUNT>>.
- 4.** The **limit of liability** payable under this extension of coverage does not increase and is not in addition to any other applicable **limit of liability**.

Policy number
Issued by

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Equipment Breakdown Coverage

This endorsement modifies insurance provided under the following:

COVERAGES, Form PK 10 01

Equipment Breakdown

A. If marked with an (X), the following additional extensions of coverage apply to equipment breakdown coverage:

() **1.** If different than the sublimits of liability shown in item **D.4.** of DECLARATIONS, Form PK 10 00, the sublimits of liability shown below apply to the Optional Extensions of Coverage defined in EXTENSIONS OF COVERAGE, Form PK 10 02:

- a. \$ at each **new location**, for up to days from the date such **new location(s)** is first purchased, rented or occupied whichever is earlier;
- b. \$ at each **unscheduled location**;
- c. \$ Operation of Building Laws;
- d. \$ Demolition Cost
- e. \$ Increased Construction Cost.

() **2.** If different than the limits of liability shown in the Schedule of the Contingent Loss of Business Income or Extra Expense Extension, Form PK 04 02, the limits of liability shown in the Contingent Loss of Business Income or Extra Expense Schedule below apply.

() **3.** If different than the limits of liability shown in the Schedule of the Contingent Loss of Business Income or Extra Expense Extension Leader Locations, Form PK 04 03, the limits of liability shown in the Contingent Loss of Business Income or Extra Expense Leader Locations Schedule below apply.

Excluded Objects

B. If marked with an (X), the following items are not included as **objects**:

- () **1.** Dies, molds or patterns.
- () **2.** Dies and molds.

Excluded Objects
(continued)

- () 3. Conveyors, cranes or hoists.
- () 4. Production Machinery. Production machinery means any production or process machine or apparatus that processes, forms, cuts, shapes, grinds or conveys raw materials, materials in process or finished products.
- () 5. Equipment used exclusively for testing or experimental purposes.
- () 6. Electrical apparatus forming part of:
 - a. The electrical connection between the secondary terminal of any power supply, including but not limited to transformers, solid state rectifiers and motor/generator sets, and the furnace which it supplies; and
 - b. The furnace itself.
- () 7. Ovens, stoves, furnaces, incinerators, pots or kilns.
- () 8. The following hospital equipment:
 - a. Any x-ray machine, electron microscope, particle accelerator beta gauge or spectrograph; or
 - b. Any machine, vessel or apparatus used exclusively for testing, experimental, research, diagnostic, therapeutic, surgical, dental or pathological purposes.
- () 9. Other: As shown in the Excluded **Objects** Schedule below.

Additional Exclusions

C. If marked with an (X), the following additional exclusions apply to an **accident** to an **object**:

() If marked with an (X) **we** will not pay for any loss of **business income** or **extra expense** incurred by **you** as the result of:

() An **accident** to power generating equipment.

() An **accident** to power generating equipment arising from conditions or terms of a contractual agreement of the type listed below:

- a. Penalties or deductions from payment contractually required due to lack of availability of generating capacity;
- b. Bonuses or additional payments contractually withheld due to lack of availability of generating equipment;
- c. Change in rate payment due to lack of availability of generating capacity;

*Additional Exclusions)
(continued)*

- d. Loss of a contractual agreement due to lack of availability of generating capacity; and/or
- e. Excess demand charges contractually required due to increased power usage.

For the purpose of this provision, power generating equipment means any pressure, mechanical or electrical equipment, machinery or apparatus used in, or associated with, the generation of electric power; but not excluding emergency power generating equipment less than or equal to one-thousand (1,000) kw.

Valuation

- D. If marked with an (X), the following valuation condition(s) applies to the **objects** shown below:

() 1. We will pay you the **actual cash value** for all Arc Furnace (AF)/Induction Furnace (IF) transformers with windings that are years or older directly damaged by an **accident**. If damaged property can be restored by the replacement of any part or parts we will pay only the lesser of:

- a. The reasonable cost of the restoration; or
- b. The **actual cash value** of the damaged property.

The valuation of **covered property** will be as of the time of **accident**.

() 2. We will pay you the **actual cash value** for all **objects** shown in the **Actual Cash Value** Schedule below that are years or older directly damaged by an **accident**. If damaged property can be restored by the replacement of any part or parts we will pay only the lesser of:

- a. The reasonable cost of the restoration; or
- b. The **actual cash value** of the damaged property.

The valuation of **covered property** will be as of the time of **accident**.

Waiting Period

- E. If marked with an (X), the following waiting period applies to the equipment breakdown Service Interruption extension of coverage:

() Service Interruption coverage will not apply unless the failure or disruption of service exceeds hours immediately following the **accident**.

*Excluded **Objects** Schedule*

<<DESCRIPTION OF COVERED OBJECTS>>

***Actual Cash Value** Schedule*

<<DESCRIPTION OF COVERED OBJECTS>>

Contingent Loss of Business Income or Extra Expense Schedule

Location(s) Address

Limit of Liability

<<ENTER ADDRESS OF LOCATION>>

<<ENTER APPROPRIATE AMOUNT>>

Contingent Loss of Business Income or Extra Expense Leader Locations Schedule

Location(s) Address

Limit of Liability

<<ENTER ADDRESS OF LOCATION>>

<<ENTER APPROPRIATE AMOUNT>>

Policy number
Issued by

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Equipment Breakdown - Accident Definition

This endorsement modifies insurance provided under the following:

DEFINITIONS, Form PK 10 07

Accident

Item **A. Accident** does not include any of the additional items shown in the Schedule of this endorsement.

Schedule

<<ENTER DESCRIPTION >>

Policy number
Issued by

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Equipment Breakdown – Spare Equipment and Parts Restriction

This endorsement modifies insurance provided under the following:

COVERAGES, Form PK 10 01

*Spare Equipment
and Parts*

The following restriction of coverage applies to Item **E.**:

If any **object** shown in column A, including itself, is damaged as a result of an **accident** and the *viable spare equipment and parts* shown in column B is not available for use or replacement at the time of the **accident**, **we** will not pay for any increase in the loss or expense beyond what **we** would have paid if such *viable spare equipment and parts* had been available at the **covered location** where the **accident** occurred for use in replacement of the **object**, or part of the **object**, at the time of the **accident**.

For the purpose of this endorsement, the italicized term *viable spare equipment and parts* means an **object**, or part of the **object**, which is capable of restoring the damaged **object** to 100% of its designed operating capability at the time the loss occurred.

A – Description of Covered **Object(s)**

B – Description of *Viable Spare Equipment and Parts*

<<ENTER DESCRIPTION>>

<<ENTER DESCRIPTION>>

Policy number
Issued by

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Equipment Breakdown – Specified Limit of Liability for Specific Objects

This endorsement modifies insurance provided under the following:

DECLARATIONS, Form PK 10 00

Specified
Limit of Liability

The following **limit of liability** applies to Item **E.**:

The most **we** will pay for direct physical loss or damage to the covered **objects** described in the Schedule of this endorsement is a **limit of liability** of \$**<<ENTER LIMIT OF LIABILITY>>** in any one (1) **accident**.

This **limit of liability** will not increase and is not in addition to any other applicable **limit of liability**.

Schedule

Description of Covered **Object(s)**

<<ENTER DESCRIPTION>>

Policy number
Issued by

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Pair, Set or Parts Condition

This endorsement modifies insurance provided under the following:

CONDITIONS, Form PK 10 06

Pair, Set or Parts

Item **S.** Pair, Set or Parts is deleted and replaced with the following:

S. Pair, Set or Parts

In the event of a **covered loss** to **personal property** that diminishes the value of an article that is part of a pair or set, **we** will consider this a total loss of the pair or set.

If **our** payment to **you** is for the total loss of the pair or set, **you** will surrender to **us** any remaining undamaged portion of the pair or set.

Policy number
Issued by

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Payroll Expense for Specifically Described Employees

This endorsement modifies insurance provided under the following:

COVERAGES, Form PK 10 01

Payroll Expense

- A. We will pay **your** payroll expenses due to a **business income** loss resulting from necessary interruption of **your** business by a **peril insured against**.**
- B. For the purpose of this endorsement, payroll expenses include only the following employees:**
 - 1. Officers;
 - 2. Executives;
 - 3. Department managers;
 - 4. Employees under contract whose services must necessarily continue; and
 - 5. For other employee job description or employee job classification codes identified in the Schedule of this endorsement, **we** will pay for their payroll expenses up to but not exceeding the number of days shown in the Schedule below.

Payroll expense includes:

- 1. Payroll, including taxes and charges dependant on the payment of wages;
- 2. Employee benefits, if directly related to payroll;
- 3. FICA payments **you** pay;
- 4. Union dues **you** pay; and
- 5. Workers compensation premiums.

Schedule

Employee Job Description or Employee Classification Code

Payroll Expense for the
Following Number of Business
Days

<<SHOW EMPLOYEE TITLES (DO NOT SHOW A PERSONS NAME)>>

<<FILLIN # OF DAYS>>

Policy number
Issued by

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Payroll Expense Limitation

This endorsement modifies insurance provided under the following:

COVERAGES, Form PK 10 01

Payroll Expenses

A. We will pay **your** *payroll expenses* due to a **business income** loss resulting from necessary interruption of **your** business by a **peril insured against**, up to <<NUMBER OF DAYS>> business days.

Definition

B. For the purpose of this endorsement, *payroll expenses* means the *payroll expense* for all of **your** employees except:

1. Officers;
2. Executives;
3. Department managers; and
4. Employees under contract whose services must necessarily continue; and

Payroll expense includes:

1. Payroll, including taxes and charges dependant on the payment of wages;
 2. Employee benefits, if directly related to payroll;
 3. FICA payments **you** pay;
 4. Union dues **you** pay; and
 5. Workers compensation premiums.
-

Policy number
Issued by

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Protective Safeguards Condition

This endorsement modifies insurance provided under the following:

CONDITIONS, Form PK 10 06

Protective Safeguards

The following is added to CONDITIONS, Form PK 10 06:

Protective Safeguards

1. **You** will maintain, in complete working order, all protective safeguards that are present at **covered locations** at the beginning of the **policy period** or installed or implemented during the **policy period**.
2. **You** will give immediate notice to **us** of any impairment in or suspension of any protective safeguards, which **you** must then restore to complete working order as soon as possible.
3. Immediately upon any impairment to or suspension of any protective safeguards, all insurance at the affected **covered location(s)** shall be suspended and shall remain suspended until **you** give **us** notice that such impairment or suspension of the protective safeguards have been restored to service.
4. Protective safeguards include, but are not limited to:
 - a. Automatic sprinkler systems and fire suppression systems;
 - b. Systems designed to detect or suppress explosions;
 - c. Alarm systems, including systems designed to detect and alert for fire or burglary;
 - d. Guard or watchman services;
 - e. Utility services for any protective safeguards.

Policy number
Issued by

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Theft Limitation

Theft Limitation

- A.** We will not pay more than \$ <<ENTER APPROPRIATE AMOUNT>> in any one (1) **occurrence** for **covered loss** caused by or resulting from theft.

This **limit of liability** does not increase and is not in addition to any other applicable **limit of liability**.

- B.** This **limit of liability** applies to **covered loss** to the following types of property in the schedule of this endorsement.

Schedule of Property

Policy number
Issued by

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Valuations - Actual Cash Value

This endorsement modifies insurance provided under the following:

VALUATIONS, Form PK 10 05

Actual Cash Value

We will pay for loss to **covered property** shown in the following Schedule at **actual cash value**.

Schedule

<<ENTER APPROPRIATE INFORMATION>>

Policy number
Issued by

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Watercraft

This endorsement modifies insurance provided under the following:

PROPERTY NOT COVERED, Form PK 10 04

Watercraft

Item **Q.** is deleted and replaced by the following:

Q. Watercraft, except:

1. Watercraft that is part of **your** inventory while being stored un-fueled and on dry land at a **covered location**; and
2. Watercraft shown on the Schedule below, which will be valued at **actual cash value** and subject to the applicable **limit(s) of liability** listed in the Schedule below.

The **limit(s) of liability** shown in this endorsement do not increase and are not in addition to any other applicable **limit of liability**.

Schedule

Description of Watercraft Including Serial Number

Limit of Liability

<<ENTER DESCRIPTION OF WATERCRAFT>>

<<ENTER ACTUAL CASH VALUE>>

Policy number
Issued by

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Peak Season

This endorsement modifies insurance provided under the following:

DECLARATIONS, Form PK 10 00

Limit of Liability

The **limit of liability** shown on the Schedule of DECLARATIONS, Form PK 10 00, for **Personal Property** at the locations shown below is increased as follows during the period indicated.

Schedule

Location	Increase in Limit of Liability	New Limit of Liability	Period	
			From	To
<<ENTER LOCATION ADDRESS>>	<<ENTER LIMIT>>	<<ENTER LIMIT>>	<<ENTER DATES>>	

Policy number
Issued by

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Standard Extensions

This endorsement modifies insurance provided under the following:

EXTENSIONS OF COVERAGE, Form PK 10 02

*Standard Extensions
of Coverage*

The Standard Extensions of Coverage are amended as follows:

Arson Reward

() Arson Reward

Our sublimit under Item **A.1.** Arson Reward is increased from \$50,000 to \$.

*Computer Virus and
Denial of Access*

() Computer Virus and Denial of Access

Our sublimit under Item **A.2.** Computer Virus and Denial of Access is increased from \$25,000 to \$.

*Course of
Construction*

() Course of Construction

Our sublimit under Item **A.3.** Course of Construction is increased from \$250,000 to \$ for up to **DAYS** days.

*Debris Removal
Expense*

() Debris Removal Expense

Our sublimit under Item **A.4.a.** Debris Removal Expense is increased from \$50,000 to \$.

Our sublimit under Item **A.4.b.** Debris Removal Expense for is increased from \$25,000 to \$.

*Exhibitions, Expositions,
Fairs or Trade Shows*

() Exhibitions, Expositions, Fairs or Trade Shows

Our sublimit under Item **A.6.** Exhibitions, Expositions, Fairs or Trade Shows is increased from \$50,000 to \$.

Extended Period of Restoration

() Extended **Period of Restoration**

Item **A.7. Extended Period of Restoration** is amended to **OF DAYS** days in lieu of ninety (90) days.

Paved Surfaces and Underground Pipes

() Paved Surfaces and Underground Pipes

Our sublimit under Item **A.8. Paved Surfaces and Underground Pipes** is increased from \$50,000 to \$.

Fungus Cleanup Expense

() **Fungus Cleanup Expense**

Our sublimit under Item **A.9. Fungus Cleanup Expense** is increased from \$50,000 to \$.

Personal Property of Employees

() **Personal Property of Employees**

Our sublimit under Item **A.10. Personal Property of Employees** is increased from \$50,000 to \$.

Personal Property Off Premise

() **Personal Property Off Premise**

Our sublimit under Item **A.11. Personal Property Off Premise** is increased from \$100,000 to \$.

Plants, Trees or Shrubs

() Plants, Trees or Shrubs

Our sublimit under Item **A.12. Plants, Trees or Shrubs** is increased from \$100,000 to \$.

Pollution Cleanup Expense

() **Pollution Cleanup Expense**

Our annual aggregate **limit of liability** under Item **A.13.b. Pollution Cleanup Expense** is increased from \$25,000 to \$.

Our annual aggregate **limit of liability** under Item **A.13.c. Pollution Cleanup Expense** is increased from \$25,000 to \$.

Professional Fees

() Professional Fees

Our sublimit under Item **A.14. Professional Fees** is increased from \$25,000 to \$.

Removal

() Removal

Item **A.15.b.(1)** is deleted and replaced by the following:

(1) For up to consecutive days at each place to which the property has been taken for preservation.

Water or Sewer Backup

() Water or Sewer Backup

Our sublimit under Item **A.16.** Water or Sewer Backup is increased from \$100,000 to \$.

Policy number
Issued by

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL FIRST TIER WIND COUNTIES AND INDEPENDENT CITIES
(THE STATES OF VIRGINIA THROUGH AND INCLUDING MAINE)**

This endorsement modifies insurance provided under the following:

DEFINITIONS, Form WP1007

*Additional First Tier
Wind Counties and
Independent Cities*

The following are added to DEFINITIONS, Form PK 10 07, Item **N. First Tier Wind Counties and Parishes:**

Fairfield, Middlesex, New Haven and New London Counties in the State of Connecticut;

Sussex County in the State of Delaware;

Cumberland, Hancock, Knox, Lincoln, Penobscot, Sagadahoc, Waldo, Washington and York Counties in the State of Maine;

Somerset and Worcester Counties in the State of Maryland;

Barnstable, Bristol, Dukes, Essex, Nantucket, Norfolk, Plymouth and Suffolk Counties in the State of Massachusetts;

Rockingham County in the State of New Hampshire;

Atlantic, Burlington, Cape May, Cumberland, Essex, Hudson, Middlesex, Monmouth, Ocean and Union Counties in the State of New Jersey;

Bronx, Kings, Nassau, New York, Queens, Richmond and Suffolk Counties in the State of New York;

Bristol, Newport and Washington Counties in the State of Rhode Island; and

Accomack, Gloucester, Hampton #, Lancaster, Mathews, Middlesex, Newport News #, Norfolk #, Northampton, Northumberland, Poquoson #, Portsmouth #, Virginia Beach #, Williamsburg # and York Counties and Independent Cities in the State of Virginia.

(# = Independent City).

Policy number
Issued by

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Additional Second Tier Wind Counties and Independent Cities (The States of Virginia through and Including Maine)

This endorsement modifies insurance provided under the following:

DEFINITIONS, Form PK 10 07

*Additional Second Tier
Wind Counties
and Independent Cities*

The following are added to DEFINITIONS, Form PK 10 07, Item **L.L. Second Tier Wind Counties and Parishes**:

Hartford, Litchfield, Tolland and Windham Counties in the State of Connecticut;

Kent and New Castle Counties in the State of Delaware;

Androscoggin, Aroostook, Kennebec and Oxford Counties in the State of Maine;

Anne Arundel, Baltimore, Baltimore City, Calvert, Caroline, Cecil, Charles, Dorchester, Harford, Kent, Queen Anne's, St. Mary's, Talbot and Wicomico Counties in the State of Maryland;

Middlesex and Worcester Counties in the State of Massachusetts;

Carroll, Hillsborough, Merrimack and Stafford Counties in the State of New Hampshire;

Bergen, Camden, Gloucester, Mercer, Morris, Passaic, Salem and Somerset Counties in the State of New Jersey;

Dutchess, Putnam, Rockland and Westchester Counties in the State of New York;

Bucks, Delaware and Philadelphia Counties in the State of Pennsylvania;

Kent and Providence Counties in the State of Rhode Island; and

Caroline, Charles City, Chesapeake #, Essex, Isle of Wight, James City, King and Queen, King George, King William, New Kent, Prince George, Richmond, Suffolk #, Surry and Westmoreland Counties and Independent Cities in the State of Virginia.

= Independent City

Policy number
Issued by

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Arkansas Changes

This endorsement applies only to **covered property** located in Arkansas, and modifies insurance provided under the following:

CONDITIONS, Form PK 10 06

Appraisal

A. Items **B.1.** and **B.3.** are deleted and replaced with the following:

1. If **you** fail to agree with **us** on the amount of a loss, either party may require that the amount be submitted for appraisal. However, an appraisal will be made only if both parties agree, voluntarily, to have the loss appraised. Requests for appraisal will be made in writing. Each party will then choose a competent independent appraiser. Each party will notify the other of the identity of its appraiser within sixty (60) days of the written request for appraisal.
 3. The appraisers will then set the amount of the loss or damage. If the appraisers submit a written report of an agreement to **you** and **us**, the amount they agree on will be the amount of **our** payment for the loss or damage. If the appraisers fail to agree within a reasonable time, they will submit their differences to the umpire. Written agreement signed by any two (2) of these three (3) will set the amount of loss. An appraisal decision will not be binding on the parties involved.
-

Suit

Item **Y.** is deleted and replaced with the following:

Y. Suit

No suit or other legal proceeding will be brought against **us** unless there has been full compliance with all the policy terms and conditions. Suit must be brought within five (5) years after the date on which the physical damage occurred.

Policy number
Issued by

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Arkansas Changes - Cancellation and Nonrenewal

This endorsement modifies insurance provided under the following:

CONDITIONS, Form PK 10 06

Cancellation

A. Item F. Cancellation is amended as follows:

1. Item 3. is deleted and replaced with the following:
 3. If this Commercial Property policy has been in effect for sixty (60) days or more or is a renewal of a policy **we** issued, **we** may cancel this Commercial Property policy by giving **you** and any lien holder or loss payee named in the policy written notice of cancellation at least:
 - a. Ten (10) days before the date of cancellation if **we** cancel for nonpayment of premium;
 - b. Thirty (30) days before the date of cancellation if **we** cancel for one (1) or more of the following reasons:
 - (1) Discovery of fraud or material misrepresentation by **you** in obtaining this Commercial Property policy or in pursuing a claim under this Commercial Property policy;
 - (2) The occurrence of a material change in the risk that substantially increases any hazard insured against under this Commercial Property policy;
 - (3) Violation of any local fire, health, safety, building, or construction regulation or ordinance with respect to **covered property** which substantially increases any hazard insured against under this Commercial Property policy;
 - (4) Nonpayment of membership dues in those cases in which the bylaws, agreements, or other legal instruments require payment as a condition of the issuance and maintenance of this Commercial Property policy; or
 - (5) A material violation of a material provision of this Commercial Property policy.
2. Item 7. is deleted and replaced with the following:
 7. a. If this Commercial Property policy is cancelled, **we** will send **you** any premium refund due.

*Cancellation
(continued)*

- 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; or
 - (3) Cancelled because **you** no longer have an insurable interest in the property or business operation that is the subject of this insurance.
 - c. If this Commercial Property policy is cancelled at **your** request, other than a cancellation described in **b.(2)** and **(3)** 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 Commercial Property policy.
 - d. The cancellation will be effective even if **we** have not yet made or offered a refund.
-

Mortgage Holders

- B. Item **M.5.** is deleted and replaced with the following:
 - 5. If **we** decide not to renew this Commercial Property policy, **we** will give written notice to the mortgage holder:
 - a. As soon as practicable if nonrenewal is due to **your** failure to pay any premium required for renewal; or
 - b. At least sixty (60) days before the expiration date of this Commercial Property policy, if the nonrenewal is for any other reason.
-

Nonrenewal

- C. Item **P.1.** is deleted and replaced with the following:
 - 1. If **we** decide not to renew this Commercial Property policy, **we** will mail or deliver a written notice of nonrenewal to **you** and any lien holder or loss payee named in the policy at least sixty (60) days before the expiration date of this Commercial Property policy. Notice will be sent to **your** last mailing address known to **us**. **We** will state the reason for nonrenewal.

However, **we** are not required to send this notice if nonrenewal is due to **your** failure to pay any premium required for renewal.
- D. The provisions of Item **P.** Nonrenewal do not apply to any mortgage holder.

SERFF Tracking Number: LWCM-125751994 State: Arkansas
First Filing Company: Employers Insurance Company of Wausau, ... State Tracking Number: EFT \$50
Company Tracking Number: LW-PKF-CW-001-08
TOI: 05.1 Commercial Multi-Peril - Non-Liability Sub-TOI: 05.1003 Commercial Package
Portion Only
Product Name: Commercial Package Policies
Project Name/Number: Submission of Package Solution Program-Coverage forms & endorsements/LW-PKF-CW-001-08

Supporting Document Schedules

Bypassed -Name: Uniform Transmittal Document-
Property & Casualty **Review Status:** Approved 08/19/2008
Bypass Reason: n/a
Comments:

Satisfied -Name: Inventory **Review Status:** Approved 08/19/2008
Comments:
Attachment:
AR Inventory.pdf

**Package Solution™
Commercial Property
Arkansas Inventory**

Form Number / Edition Date	Form Title	Intent / Purpose	Optional/ Mandatory	Restrict/ Broaden	Additional Premium Charge
IC 00 41 07 09	Common Declarations	Contains common information for the entire policy.	Mandatory		none
IC 00 42 07 09	Inventory	List of forms attached to the policy at issue.	Mandatory		none
PK 00 02 07 09	Policy Reference Index	Quick reference where things are found on the policy.	Mandatory		none
PK 00 04 07 09	Named Insured	To be used when the name of the first named insured is too long to be shown on the declarations.	Optional		none
PK 00 05 07 09	Taxes, Surcharges and Assessments Summary	Identifies any state taxes, surcharges and assessment charges.			none
PK 00 06 07 09	Amendatory Endorsement	To clarify that any reference to ISO's Commercial Property Coverage Part on a package policy does not apply to the Package Solution™ Commercial Property policy.	Mandatory		none
PK 00 07 07 09	Schedule of Mortgage Holders or Loss Payees	Identifies if a mortgage holder, loss payee, lender's loss payable or contract of sales applies.	Optional		none
PK 10 00 07 09	Package Solution™ Commercial Property DECLARATIONS	Contains information regarding the insurance risk, on the basis of which the policy is issued.	Mandatory		none
PK 10 01 07 09	COVERAGES	Identifies and explains basic coverages and exclusions.	Mandatory		none
PK 10 02 07 09	EXTENSIONS OF COVERAGE	Identifies extensions of coverage.	Mandatory		none
PK 10 03 07 09	EXCLUSIONS	Identifies exclusions of coverage.	Mandatory		none
PK 10 04 07 09	PROPERTY NOT COVERED	Identifies property we do not cover and will not pay for any losses to.	Mandatory		none
PK 10 05 07 09	VALUATIONS	Identifies valuations of coverage.	Mandatory		none
PK 10 06 07 09	CONDITIONS	Identifies the conditions of the policy.	Mandatory		none
PK 10 07 07 09	DEFINITIONS	Defines significant terms and/or words contained within the policy format.	Mandatory		none
PK 02 44 07 09	Cancellation By the Company Endorsement (Reasons other than Nonpayment)	Amends the cancellation condition to extend the period of advance notice required to be given when the policy is cancelled by the company for reasons other than nonpayment of premium.	Optional		none
PK 02 45 07 09	Cancellation By The Company (Includes Nonpayment Cancellation)	Amends the cancellation condition to extend the period of advance notice required to be given when the policy is cancelled by the company.	Optional		none
PK 03 01 07 09	Additional Deductibles and Waiting Periods	Allows for multiple deductibles.	Optional		none
PK 04 01 07 09	Accounts Receivable	Allows for the provision of Accounts Receivable coverage, subject to a stated sublimit of liability.	Optional	Broadens	see rule pg
PK 04 02 07 09	Contingent Loss of Business Income or Extra Expense	Provides coverage for the loss of Business Income or Extra Expense due to a direct physical loss or damage to property of the type covered by the policy at a Dependent location.	Optional	Broadens	see rule pg
PK 04 03 07 09	Contingent Loss of Business Income or Extra Expense Leader Locations	Provides coverage for the loss of Business Income or Extra Expense due to a direct physical loss or damage to property of the type covered by the policy at a Leader location.	Optional	Broadens	see rule pg

**Package Solution™
Commercial Property
Arkansas Inventory**

Form Number / Edition Date	Form Title	Intent / Purpose	Optional/ Mandatory	Restrict/ Broadens	Additional Premium Charge
PK 04 04 07 09	Earth Movement	Provides coverage for Earth Movement.	Optional	Broadens	see rule pg
PK 04 05 07 09	Earth Movement Sprinkler Leakage	Allows for the provision of Sprinkler Leakage coverage resulting from an Earth Movement event.	Optional	Broadens	see rule pg
PK 04 06 07 09	Errors and Omissions	Extends coverage for unintentional errors or omissions by the insured in describing a covered location.	Optional	Broadens	see rule pg
PK 04 07 07 09	Fine Arts	Extends coverage to our insureds' fine arts.	Optional	Broadens	see rule pg
PK 04 08 07 09	Flood	Provides coverage for Flood.	Optional	Broadens	see rule pg
PK 04 09 07 09	Food Borne Contamination	Provides coverage for costs when a public health authority closes a covered location due to food borne contamination.	Optional	Broadens	see rule pg
PK 04 10 07 09	Foreign Locations - Extension of Territorial Condition	Expands coverage territory to foreign locations.	Optional	Broadens	none
PK 04 11 07 09	Package Solution Plus™ for Green Operations	Expands coverage to 'Green' buildings.	Optional	Broadens	see rule pg
PK 04 12 07 09	Guest Emergency Evacuation Due to Order by Civil Authority	Adds coverage for reimbursable expense due to evacuation by order of civil authority.	Optional	Broadens	see rule pg
PK 04 13 07 09	Hotel Guest Relocation Expenses	Allows for reimbursement of guest incurred expenses when prearranged lodging cannot be provided due to a covered loss.	Optional	Broadens	see rule pg
PK 04 14 07 09	Interruption of Services	Provides for physical loss or damage to covered property, loss of business income and extra expense resulting from an interruption of service.	Optional	Broadens	see rule pg
PK 04 15 07 09	Loss of Business Income - Research and Development	Provides coverage for loss of business income from research and development operations.	Optional	Broadens	see rule pg
PK 04 16 07 09	Lost Master Key	Provides coverage for lost master key.	Optional	Broadens	see rule pg
PK 04 17 07 09	Miscellaneous Locations	Provides coverage for loss or damage to property while situated at a miscellaneous location.	Optional	Broadens	see rule pg
PK 04 18 07 09	Mobile Equipment or Tools	Extends coverage for mobile equipment or tools while away from a covered location.	Optional	Broadens	see rule pg
PK 04 19 07 09	Personal Property Sold Under an Installation Agreement	Provides coverage for personal property sold under an installation agreement.	Optional	Broadens	see rule pg
PK 04 20 07 09	Package Solution Plus™	Provides an aggregate limit for listed 6 coverages.	Optional	Broadens	see rule pg
PK 04 21 07 09	Spoilage of Perishable Goods While in Transit	Provides coverage for spoilage of food products while in transit.	Optional	Broadens	see rule pg
PK 04 22 07 09	Territorial Definition	Expands coverage territory.	Optional	Broadens	none
PK 09 01 07 09	Cap on Losses from Certified Acts of Terrorism	Provides terrorism coverage.	Optional	Broadens	none
PK 09 02 07 09	Exclusion of Certified Acts of Terrorism	Excludes terrorism coverage.	Optional	Restricts	none
PK 20 01 07 09	Additional Named Insured	Identifies if an additional named insured applies to the policy.	Optional	Broadens	none
PK 20 02 07 09	Additional Insured	Identifies if an additional insured applies to the policy.	Optional	Broadens	none
PK 21 01 07 09	Exceeding Registered Lifting Capacity Exclusion	Excludes coverage if weight of load exceeds the registered lifting and supporting capacity.	Optional	Restricts	none
PK 21 02 07 09	Payroll Expense Exclusion	Excludes payroll expense	Optional	Restricts	see rule pg

**Package Solution™
Commercial Property
Arkansas Inventory**

Form Number / Edition Date	Form Title	Intent / Purpose	Optional/ Mandatory	Restrict/ Broaden	Additional Premium Charge
PK 21 03 07 09	Wind or Hail Exclusion	Excludes coverage for damage done by wind or hail.	Optional	Restricts	see rule pg
PK 21 04 07 09	Wind Associated with a Named Storm Exclusion	Excludes coverage for damage by wind associated with a named storm.	Optional	Restricts	see rule pg
PK 22 01 07 09	Greens, Tees and Fairways	Adds coverage for certain perils to greens, tees and fairways.	Optional	Broadens	see rule pg
PK 22 02 07 09	Livestock	Extends coverage to apply to livestock.	Optional	Broadens	see rule pg
PK 24 01 07 09	Equipment Breakdown Coverage	Allows for the selection of additional extensions or limitations of coverage that apply to equipment breakdown.	Optional	Restricts	none
PK 24 02 07 09	Equipment Breakdown - Accident Definition	Excludes additional items that are not included in definition of accident.	Optional	Restricts	none
PK 24 03 07 09	Equipment Breakdown - Spare Equipment and Parts Restriction	Limits extra expense if viable spare equipment and parts are not available.	Optional	Restricts	none
PK 24 04 07 09	Equipment Breakdown - Specified Limit of Liability for Specific Objects	Provides for specified limit of liability for specific objects.	Optional	Broadens	none
PK 24 05 07 09	Pair, Set or Parts Condition	Changes Loss Condition of Parts and Sets.	Optional	Broadens	none
PK 24 06 07 09	Payroll Expense for Specifically Described Employees	Extends business income coverage to described employees only.	Optional	Restricts	see rule pg
PK 24 07 07 09	Payroll Expense Limitation	Limits payroll expense to specific number of days.	Optional	Restricts	see rule pg
PK 24 08 07 09	Protective Safeguards Condition	States that the insured is responsible for maintaining the applicable protective devices.	Optional	Clarifies	none
PK 24 09 07 09	Theft Limitation	Limits the amount of insurance we will pay for theft on certain types of property listed on the form.	Optional	Restricts	none
PK 24 10 07 09	Valuations - Actual Cash Value	Provides coverage to covered property shown on schedule at actual cash value.	Optional	Restricts	none
PK 24 11 07 09	Watercraft	Provides coverage for watercrafts.	Optional	Broadens	see rule pg
PK 25 01 07 09	Peak Season	Allows a higher limit of personal property during a specified time period.	Optional	Broadens	see rule pg
PK 25 02 07 09	Standard Extensions	Allows for increases in the sublimits of liability shown on the extensions.	Optional	Broadens	see rule pg
PK 99 01 07 09	Additional First Tier Wind Counties and Independent Cities (The States of Virginia through and Including Maine)	Expands first tier counties.	Optional	Clarifies	none
PK 99 02 07 09	Additional Second Tier Wind Counties and Independent Cities (The States of Virginia through and Including Maine)	Expands second tier counties.	Optional	Clarifies	none
PK 01 35 07 09	Arkansas Changes	Amends the policy per state statutes.	Mandatory	Clarifies	none
PK 02 02 07 09	Arkansas Changes - Cancellation and Nonrenewal	Amends the cancellation and nonrenewal provisions per state statutes.	Mandatory	Clarifies	none