

**U.S. Terrorism Risk Insurance Act of 2002 as amended
Not Purchased Clause**

This Clause is issued in accordance with the terms and conditions of the "U.S. Terrorism Risk Insurance Act of 2002" as amended as summarized in the disclosure notice.

It is hereby noted that the Insurers have made available coverage for "insured losses" directly resulting from an "act of terrorism" as defined in the "U.S. Terrorism Risk Insurance Act of 2002", as amended ("TRIA") and the Insured has declined or not confirmed to purchase this coverage.

This Insurance therefore affords no coverage for losses directly resulting from any "act of terrorism" as defined in TRIA except to the extent, if any, otherwise provided by this policy.

All other terms, conditions, insured coverage and exclusions of this Insurance including applicable limits and deductibles remain unchanged and apply in full force and effect to the coverage provided by this Insurance.

1230THB00627 0120

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SOUTH CAROLINA NAMED STORM OR WIND/HAIL DEDUCTIBLE DISCLOSURE NOTICE

THIS POLICY CONTAINS A SEPARATE DEDUCTIBLE FOR NAMED STORM OR WIND/HAIL LOSSES, WHICH MAY RESULT IN HIGH OUT-OF-POCKET EXPENSES TO YOU. THE ENCLOSED EXAMPLE ILLUSTRATES HOW THE DEDUCTIBLE MIGHT AFFECT YOU.

Examples

The examples below illustrate how the applicable hurricane, named storm, windstorm, wind or hail deductible, as shown elsewhere in this policy, functions if a dollar amount or percentage is shown for that deductible.

Dollar amount deductible

Example 1

The amount of loss to the damaged building is \$60,000.

The value of the damaged building at time of loss is \$140,000. The Coinsurance percentage shown in the Declarations is 80%; the minimum Limit of Insurance needed to meet the Coinsurance requirement is \$112,000 (80% of \$140,000).

The **actual** Limit of Insurance on the damaged building is \$100,000.

The Deductible is \$1,000.

Step (1): $\$100,000 \div \$112,000 = .893$

Step (2): $\$60,000 \times .893 = \$53,580$

Step (3): $\$53,580 - \$1,000 = \$52,580$

The most we will pay is \$52,580. The remainder of the loss, \$7,420, is not covered due to the Coinsurance penalty for inadequate insurance (Steps (1) and (2)) and the application of the Deductible (Step (3)).

Example 2

The amounts of loss to the damaged property are \$60,000 (Building) and \$40,000 (Personal Property in building).

The value of the damaged building at time of loss is \$125,000. The value of the personal property in that building is \$80,000. The Coinsurance percentage shown in the Declarations is 80%; the minimum Limits of Insurance needed to meet the coinsurance requirement are \$100,000 (80% of \$125,000) for the building and \$64,000 (80% of \$80,000) for the personal property.

The **actual** Limits of Insurance on the damaged property are \$100,000 on the building and \$64,000 on the personal property (therefore no Coinsurance penalty).

The Deductible is \$1,000.

BUILDING

$\$60,000 - \$1,000 = \$59,000$

PERSONAL PROPERTY

$\$40,000 - \$1,000 = \$39,000$

The most we will pay is \$98,000. The portion of the total loss not covered due to application of the Deductible is \$2,000.

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Percentage deductible

Example 1

The amount of loss to the damaged building is \$60,000.

The value of the damaged building at time of loss is \$140,000. The Coinsurance percentage shown in the Declarations is 80%; the minimum Limit of Insurance needed to meet the Coinsurance requirement is \$112,000 (80% of \$140,000).

The **actual** Limit of Insurance on the damaged building is \$100,000.

The Deductible is 1%.

Step (1): $\$100,000 \div \$112,000 = .893$

Step (2): $\$60,000 \times .893 = \$53,580$

Step (3): $\$100,000 \times 1\% = \$1,000$

Step (4): $\$53,580 - \$1,000 = \$52,580$

The most we will pay is \$52,580. The remainder of the loss, \$7,420, is not covered due to the Coinsurance penalty for inadequate insurance (Steps (1) and (2)) and the application of the Deductible (Steps (3) and (4)).

Example 2

The amounts of loss to the damaged property are \$60,000 (Building) and \$40,000 (Personal Property in building).

The value of the damaged building at time of loss is \$125,000. The value of the personal property in that building is \$80,000. The Coinsurance percentage shown in the Declarations is 80%; the minimum Limits of Insurance needed to meet the coinsurance requirement are \$100,000 (80% of \$125,000) for the building and \$64,000 (80% of \$80,000) for the personal property.

The **actual** Limits of Insurance on the damaged property are \$100,000 on the building and \$64,000 on the personal property (therefore no Coinsurance penalty).

The Deductible is 2%.

BUILDING

Step (1): $\$100,000 \times 2\% = \$2,000$

Step (2): $\$60,000 - \$2,000 = \$58,000$

PERSONAL PROPERTY

Step (1): $\$64,000 \times 2\% = \$1,280$

Step (2): $\$40,000 - \$1,280 = \$38,720$

The most we will pay is \$96,720. The portion of the total loss not covered due to application of the Deductible is \$3,280.

All other provisions of this policy apply.

Property Declarations - Participating

This Declaration Page is attached to and forms part of Certificate provisions.

Previous No. NEW Account No. S-2405-0534168-01

Name and address of the Insured Marsh Pointe Condominium & Homeowners Association, Inc
P O Box 2193
Mount Pleasant, SC 29465

Policy Period Effective From 6/28/2024 to 6/28/2025 Both days at 12:01 a.m. standard time at the location of the property insured.

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED - THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

Limits of Liability: \$11,129,496 Per occurrence

COMMERCIAL PROPERTY COVERAGE PART		Premium	TRIA
Certain Underwriters at Lloyd's	AOP-240478	\$3,800.00	EXCLUDED
Certain Underwriters at Lloyd's	AQS-241444	\$35,376.00	EXCLUDED
Certain Underwriters at Lloyd's	MDM-241444	\$4,288.00	EXCLUDED
Certain Underwriters at Lloyd's	HVR-241444	\$2,680.00	EXCLUDED
Certain Underwriters at Lloyd's	RNR-241444	\$23,048.00	EXCLUDED
HDI Global Specialty SE	HAQS-241444	\$1,608.00	EXCLUDED
Partner Re Insurance Solutions of Bermuda	BMX-241444	\$5,896.00	EXCLUDED
Covington Specialty Insurance Company	VAS-241444	\$6,432.00	EXCLUDED
Western World Insurance Company	SCO0010892	\$13,400.00	EXCLUDED
Certain Underwriters at Lloyd's	STY-241444	\$7,504.00	EXCLUDED
Palomar Excess and Surplus Insurance Company	PCOR-241444	\$3,752.00	EXCLUDED
Evanston Insurance Company	MSRU004423-00	\$3,216.00	EXCLUDED

This company has been approved by the director or his designee of the South Carolina Department of Insurance to write business in this State as an eligible surplus lines insurer, but it is not afforded guaranty fund protection.

South Carolina Premium: \$111,000

Fees: \$750Srv/\$500Mkt/\$199Insp

Surplus Lines Tax: \$6,746.94

Medical Malpractice Assessment: N/A

TOTAL: \$119,195.94 Excluding Tria

Inspection Fee \$199.00

CAT Modeling Fee \$500.00

Total Advance Premium \$111,699.00

Minimum Earned Premium 35.00%

By 
 Agent/Program Manager for the Company

Address AmWINS Special Risk Underwriters, LLC
 4725 Piedmont Row Drive
 Charlotte, NC 28210

In the event of a claim, notify: Peninsula Insurance Bureau, 2842 Lent Road, Apopka, FL 32712;
 Email tpa@pibadjusters.com

SCHEDULE OF FORMS AND ENDORSEMENTS

FORMS APPLICABLE TO COMMON

1230THB00627 0120 -- US Terrorism Risk Ins. - Not Purchased Clause
SRU-SCWH -- South Carolina Named Storm or Wind/Hail Deductible Disclosure Notice
SRU-001 0519 - Property Declarations - Participating
SRU-074 0423 -- General Property Conditions
SRU-023 0123 -- Contract Allocation Endorsement - SRU-CA
SRU-003 0124 -- Amwins Special Risk Underwriters Property Form
SRU-021 0123 -- Earthquake Excluding Sprinkler Leakage Endorsement
SRU-040 0312 -- Policy Changes Endorsement 1
SRU-004 0124 -- CAT Minimum Earned Premium
SRU-005 0710 -- Electronic Date Recognition Exclusion EDRE
SRU-008 0710 -- Land Water and Air Exclusion
SRU-009 0710 -- Seepage And/Or Pollution And/Or Contamination Exclusion
SRU-011 0710 -- Asbestos Endorsement
SRU-012 0120 -- Property Cyber and Data Exclusion
SRU-013 1220 -- Mold and Microorganism Exclusion
SRU-014 1017 -- Flood Exclusion
SRU-016 0710 -- Occurrence Limit of Liability - Stated Value
SRU-043 0123 -- Equipment Breakdown Coverage Form
SRU-044 1112 -- Equipment Breakdown - Sublimits Deductibles
SRU-024 0123 -- Protective Safeguards
SRU-027 0123 -- Time Element Business Income Extra Expense And Rental Value Options
SRU-033 0123 -- Condominium Association Changes
SRU-037 0122 -- Water Back-Up And Sump Overflow - Aggregate Limit
SRU-038 0911 -- Additional Coverage Endorsement - Wind Driven Precipitation
SRU-068 0917 -- Pre-Existing Damage Exclusion Endorsement
SRU-069 0118 -- Sinkhole Endorsement
SRU-072 0123 -- Policy Territory Limitation Endorsement
SRU-077 0123 -- Named Storm Percentage Deductible
SRU-078 0123 -- Earthquake and Optional Earthquake Sprinkler Leakage Percent Deductible
SRU-081 0124 -- EIFS Exclusion Endorsement
SRU-059 1220 -- OFAC Endorsement
PROPERTY LOSS NOTICE -- Property Loss Notice

FORMS APPLICABLE TO CERTAIN UNDERWRITERS AT LLOYD'S Only

Certain Underwriters at Lloyd's Syndicate List

THE FOLLOWING FORMS SHALL APPLY TO THE INDICATED INSURER(S) PROVIDED THAT INSURER IS PARTICIPATING ON THE POLICY

Certain Underwriters at Lloyd's, HDI Global Specialty, General Security Indemnity Co. of AZ.,
Western World Ins. Co., The Princeton E&S Ins. Co., Palomar E&S Ins. Co.,
Evanston Ins. Co., National Fire & Marine Ins. Co, Trisura Specialty Ins. Co.,
Gotham Ins. Co., Covington Specialty Insurance Co., Superior Specialty Ins. Co.,
Obsidian Specialty Ins. Co., Partner Re Ins. Solutions of Bermuda
SRU-006 0710 -- Biological Or Chemical Materials Exclusion
SRU-007 0710 -- Radioactive Contamination Exclusion Clause - Physical Damage Direct USA
LMA 5393 -- Communicable Disease Endorsement

General Property Conditions

WITH RESPECT TO THE COVERAGE PROVIDED BY ALL UNDERWRITERS, CARRIERS AND INSURERS OF THIS POLICY, THE FOLLOWING CLAUSES SHALL APPLY.

A. CLAIMS ADJUSTMENTS AND REPORTING

All claims hereunder shall be adjusted by:

Peninsula Insurance Bureau
2842 Lent Road, Apopka, FL 32712
Email Address: tpa@pibadjusters.com

And/or its assigned adjusters and the costs of such adjustments shall be borne by each Company in proportion to its pro-rata participation in the Insured's Property Insurance Program.

In the event the Insurer elects to use its own adjusters or independent adjusters or consultants other than as listed above, expenses so incurred shall be borne solely by the Insurer

It is further understood and agreed that, notwithstanding any provision contained elsewhere in this policy to the contrary, the Insured will be deemed to be in full compliance with any claim notice requirements, if notice of an occurrence is made to the Insurer(s) as soon as practicable after knowledge by the Insured or their representatives, that such occurrence will, or is likely to result in a claim under the contract. Any unintentional failure to report any occurrence or claim shall not invalidate coverage with respect any such occurrence or claim.

B. SEVERAL LIABILITY NOTICE

LMA5096 (Combined Certificate)
7 March 2008

The liability of an insurer under this contract is several and not joint with other insurers party to this contract. An insurer is liable only for the proportion of liability it has underwritten. An insurer is not jointly liable for the proportion of liability underwritten by any other insurer. Nor is an insurer otherwise responsible for any liability of any other insurer that may underwrite this contract.

The proportion of liability under this contract underwritten by an insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown in this contract.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is an insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other insurer that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA.

The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

Although reference is made at various points in this clause to "this contract" in the singular, where the circumstances so require this should be read as a reference to contracts in the plural.

C. VARIOUS INSURERS' SERVICE OF SUIT CLAUSES

THE FOLLOWING APPLICABLE CLAUSES SHALL APPLY TO THE INDICATED INSURER(S) PROVIDED THAT INSURER IS PARTICIPATING ON THE POLICY:

Service of Suit Clause(s)

It is agreed that in the event of the failure of the Insurer hereon to pay any amount claimed to be due hereunder, the Insurer hereon, at the request of the Insured (or Reinsured), will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this clause constitutes or should be understood to constitute a waiver of the Insurers' rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States. It is further agreed that service of process in such suit may be made upon:

Certain Underwriters at Lloyd's

Lloyd's America, Inc
Attention: Legal Department
280 Park Avenue, East Tower, 25th Floor
New York, NY 10017

HDI Global Specialty SE

MENDES AND MOUNT,
750 Seventh Avenue,
New York, New York 10019-6829,
United States of America

Western World Insurance Company/Tudor Insurance Company

If the cause of action arises in California:
Richard Glucksman; Chapman Glucksman
11900 West Olympic Boulevard, Suite 800
Los Angeles, CA 90064

National Fire & Marine Insurance Company

Counsel, Legal Department
1314 Douglas Street, Suite 1400
Omaha, NE 68102-1944.

General Security Indemnity Company of Arizona

28 Liberty Street
Suite 5400
New York, NY 10005
Attn: Maxine Verne, General Legal Counsel

Palomar Excess and Surplus Insurance Company

Attn: Jon Knutzen, President
3601 W. 76th Street, Suite 450
Edina, MN 55435

If the cause of action arises in any other state:
Western World Insurance Group, Claims Department
300 Kimball Drive, Suite 500
Parsippany, NJ 07054

In addition to the foregoing, should any cause of action arise in Washington under this policy of insurance, then service of process against National Fire & Marine Insurance Company may be made in such action by service upon the Commissioner of Insurance of the State of Washington. National Fire & Marine Insurance Company further designates the following as the person to whom the Commissioner shall forward such process: Counsel, Legal Department, National Fire & Marine Insurance Company, 1314 Douglas Street, Suite 1400, Omaha, NE 68102-1944.

Evanston Insurance Company

Secretary, Legal Department, Markel Service, Incorporated
10275 West Higgins Road, Suite 750
Rosemont, IL 60018

Gotham Insurance Company/Southwest Marine and General Insurance Company

Coaction Specialty Insurance Group
1(800) 774-2755
412 Mt. Kemble Avenue, Suite 300C
Morristown, NJ 07960

Covington Specialty Insurance Company

RSUI Group, Inc.
ATTN: Ron Hardeman
945 East Paces Ferry Road
Suite 1800
Atlanta, GA 30326

Superior Specialty Insurance Company

If the cause of action arises in Alaska:
Director of Insurance
P. O. Box 110805
Juneau, AK 99811-0805

If the cause of action arises in Arkansas:
C T Corporation System
124 W Capitol Ave
Little Rock, AR 72201

If the cause of action arises in California:
Department of Insurance
Government Law Bureau
300 Capitol Mall, Suite 1700
Sacramento, CA 95814

If the cause of action arises in Connecticut:
Commissioner of Insurance
Connecticut Insurance Department
P.O. Box 816
Hartford, CT 06142-0816

If the cause of action arises in Delaware:
Commissioner of Insurance
1351 West North Street, Suite 101
Dover, DE 19904

If the cause of action arises in Hawaii:
C T Corporation
1136 Union Mall, Suite 301
Honolulu, HI 96813

If the cause of action arises in Idaho:
Director of Insurance
700 W. State Street, 3rd Floor
P.O. Box 83720

If the cause of action arises in Indiana:
C T Corporation System
334 North Senate Avenue
Indianapolis, IN

Trisura Specialty Insurance Company

Michael Beasley, President
210 Park Avenue, 14th Floor
Oklahoma City, OK 73102

If the cause of action arises in California:
Corporation Service Company
2710 Gateway Oaks Drive, Suite 150N
Sacramento, CA 95833-3505

If the cause of action arises in Alabama:
Commissioner of Insurance
P O Box 303351
Montgomery, AL 36130-3351

If the cause of action arises in Arizona:
Arizona Director of Insurance and Financial Institutions
100 North 15th Avenue, Suite 261
Phoenix, AZ 85007-2624

If the cause of action arises in Colorado:
C T Corporation System
7700 E Arapahoe Rd., STE 220
Centennial, CO 80112-1268

If the cause of action arises in District of Columbia:
Commissioner of Insurance and Securities Regulation
C T Corporation System
1015 15th St NW #1000, Washington, DC 20005

If the cause of action arises in Florida:
Office of the General Counsel
200 East Gaines Street
Tallahassee, FL 32399-4201

If the cause of action arises in Iowa:
Commissioner of Insurance
1963 Bell Avenue, Suite 100
Des Moines, IA 50315

If the cause of action arises in Illinois:
Illinois Department of Insurance
320 West Washington Street
Springfield, IL 62767-0001

If the cause of action arises in Kansas:
Kansas Insurance Department
1300 SW Arrowhead Road
Topeka, Kansas 66604-4073

If the cause of action arises in Kentucky:
Office of Secretary of State Summons Branch
700 Capital Ave., Ste. 86
Frankfort, KY 40601

If the cause of action arises in Massachusetts:
Legal Department Division of Insurance
1000 Washington St., Suite 810
Boston, MA 02118

If the cause of action arises in Maine:
C T Corporation System
128 State St. #3
Augusta, ME 04330

If the cause of action arises in Minnesota:
Minnesota Department of Commerce
Consumer Services Center
85 7th Place East, Suite 280
Saint Paul, MN

If the cause of action arises in Mississippi:
Mississippi Insurance Department
1001 Woolfolk State Office Building
501 North West Street
Jackson, MS 39201

C T Corporation System
645 Lakeland East Drive, Suite 101
Flowood, MS 39232

If the cause of action arises in North Carolina:
Commissioner of Insurance
325 N. Salisbury Street
Raleigh, NC 27603-5926

If the cause of action arises in New Hampshire:
New Hampshire Insurance Commissioner
21 South Fruit Street, Suite 14
Concord, NH 03301

If the cause of action arises in New Mexico:
Superintendent of Insurance
1120 Paseo de Peralta, Suite 428
Santa Fe, NM 87501

If the cause of action arises in New York:
New York State Department of Financial Services
Attn: Corporate Affairs Unit
One Commerce Plaza – 20th Floor
Albany, NY 12257

If the cause of action arises in Ohio:
C T Corporation System
4400 Easton Cmns #125
Columbus, OH 43219

If the cause of action arises in Oregon:
C T Corporation System
780 Commercial Street SE, STE 100
Salem, OR 97301

If the cause of action arises in Louisiana:
Secretary of State
8585 Archives Ave
Baton Rouge, LA 70809

If the cause of action arises in Maryland:
Maryland Insurance Administration
200 St. Paul Place, Suite 2700
Baltimore, MD 21202

If the cause of action arises in Michigan:
C T Corporation System
40600 Ann Arbor Rd #201
Plymouth, MI 48170

If the cause of action arises in Missouri:
Director, Department of Commerce and Insurance
301 W. High Street
Truman State Office Building, Room 530
Jefferson City, MO 65101

If the cause of action arises in Montana:
C T Corporation System
30114 American Way
Missoula, MT 59808

If the cause of action arises in North Dakota:
North Dakota Insurance Department
600 E Boulevard Ave.
Bismarck, ND 58505-0320

If the cause of action arises in Nebraska:
ATTN: David M. Cleff
1900 L. Don Dodson Drive
Bedford, TX 76021

If the cause of action arises in New Jersey:
Attention: Margie Greco, Admin. Assistant
Office of Regulatory Affairs
New Jersey Department of Banking and Insurance
20 West State Street
PO Box 325
Trenton, NJ 08625-0325

If the cause of action arises in Nevada:
Commissioner of Insurance
1818 E. College Pkwy, Suite 103
Carson City, NV 89706

If the cause of action arises in Oklahoma:
Commissioner of Insurance
400 NE 50th St.
Oklahoma City, OK 73105

If the cause of action arises in Pennsylvania:
Office of the Secretary
302 North Office Building, 401 North Street
Harrisburg, PA 17120

If the cause of action arises in Rhode Island:
Insurance Division
1511 Pontiac Avenue
Bldg. 69-2
Cranston, Rhode Island 02920

If the cause of action arises in South Carolina:
Director of Insurance
Post Office Box 100105
Columbia, SC 29202

If the cause of action arises in South Dakota:
Division of Insurance
South Dakota Department of Labor and Regulation
124 South Euclid Avenue, 2nd Floor
Pierre, SD 57501

If the cause of action arises in Tennessee:
The Department of Commerce and Insurance
Attn: Service of Process
500 James Robertson Pkwy
Nashville, TN 37243

If the cause of action arises in Texas:
ATTN: David M. Cleff
1900 L. Don Dodson Drive
Bedford TX 76021

If the cause of action arises in Utah:
C T Corporation System
1108 South Union Ave,
Midvale, UT 84047

If the cause of action arises in Virginia:
C T Corporation System
4701 Cox Rd
Glen Allen, VA 23060

If the cause of action arises in Vermont:
C T Corporation System
17 GW Tatro Drive
Jeffersonville, VT 05464

If the cause of action arises in Washington:
Insurance Commissioner
P.O. Box 40255
Olympia, WA 98504-0255
5000 Capitol Blvd. SE
Turnwater, WA 98501

If the cause of action arises in Wisconsin:
C T Corporation System
301 S Bedford St.
Madison, WI 53703

If the cause of action arises in West Virginia:
Secretary of State
1900 Kanawha Boulevard East
State Capitol Complex
Bldg. 1, Ste. 157-K
Charleston, WV 25305

If the cause of action arises in Wyoming:
Commissioner of Insurance
Wyoming Insurance Department
106 E 6th Ave
Cheyenne, WY 82002

The Princeton Excess and Surplus Lines Insurance Company

If the cause of action arises in Illinois:
We designate the Director of the Illinois Department of Insurance and his successor or successors in office, at 320 W. Washington, Bicentennial Building, Springfield, IL 62727, as our true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by, or on behalf of, the Insured or any beneficiary hereunder arising out of this contract of insurance. We designate the General Counsel of The Princeton Excess and Surplus Lines Insurance Company, 555 College Road East, Princeton, New Jersey 08543 as the person to whom the said officer is authorized to mail such process or true copy thereof.

If the cause of action arises in Pennsylvania:
It is agreed that in the event we fail to pay any amount claimed to be due under this policy we will submit, at the Insured's request, to the jurisdiction of any court of competent jurisdiction within the United States of America and will comply with all requirements necessary to give such court jurisdiction. All matters arising hereunder shall be determined in accordance with the law and practice of such court. It is further agreed that in any such action instituted against any Insured under this contract, we will abide by the final decision of such court or of any appellate court in the event of an appeal.

Service of process shall be made pursuant to the procedures provided by 42 Pa.C.S. Chapter 53 Subchapter B (relating to interstate and international procedure). When making service of process by mail, such process shall be mailed to the General Counsel of The Princeton Excess and Surplus Lines Insurance Company, 555 College Road East, Princeton, New Jersey 08543. The above named is authorized and directed to accept service of process on our behalf for any action or upon any request of the Insured to give a written undertaking to the Insured that they will enter a general appearance for us in the event such an action shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States of America, which makes provisions therefore, we hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute or his successor or successors in office, as the true and lawful attorney upon whom any lawful process may be served in any action, suit or proceeding instituted by, or on behalf of, the Insured or any beneficiary hereunder arising out of this contract of insurance, and hereby designate the above named as the person on whom such process or a true copy thereof shall be served.

If the cause of action arises in any other state:

We designate the Superintendent of Insurance, Insurance Commissioner, Director of Insurance, or other officer specified by law, pursuant to the laws of the State where this policy is delivered, as our true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted in the State in which this policy is delivered, by, or on behalf of, the Named Insured or any beneficiary hereunder arising out of this Policy. We designate the General Counsel of The Princeton Excess and Surplus Lines Insurance Company, 555 College Road East, Princeton, New Jersey 08543 as the person to whom the said officer is authorized to mail such process or true copy thereof.

Obsidian Specialty Insurance Company

If the cause of action arises in Illinois:

Obsidian Specialty Insurance Company hereby designates the Director of the Illinois Department of Insurance and his or her successor or successors in office, as our true and lawful attorney upon whom may be served any lawful process in any action, suit, or proceeding instituted by or on behalf of the insured or any beneficiary hereunder arising out of this contract of insurance.

If the cause of action arises in any other state:

In the event of our failure to pay any amount claimed to be due by the terms of this policy, at your request, we will submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this endorsement constitutes or should be understood to constitute a waiver of our rights to commence an action in any court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another court as permitted by the laws of the United States, or of any state in the United States. It is further agreed that service of process in such suit may be made upon Counsel, Legal Department, 1330 Avenue of the Americas, Suite 23A, New York, NY 10019, or his or her representative, and that in any suit instituted against us by the terms of this policy we will abide by the final decision of such court or of any appellate court in the event of an appeal.

If any statute of any state, territory or district of the United States makes such provision, we hereby designate the Superintendent, Commissioner or Director of Insurance, or other officer specified for that purpose in the statute, or his or her successors in office, as our true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by you or on your behalf, or your beneficiary, arising out of this insurance policy. We designate the above Counsel as the person to whom said officer is authorized to mail such process or a true copy thereof.

PartnerRe Insurance Solutions Bermuda

PartnerRe
General Counsel, Americas
200 First Stamford Place
Stamford, CT 06902
USA

Pursuant to any statute of any state, territory, or district of the United States of America, which makes provisions therefore, we hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute or his successor or successors in office, as the true and lawful attorney upon whom any lawful process may be served in any action, suit or proceeding instituted by, or on behalf of, the Insured or any beneficiary hereunder arising out of this contract of insurance, and hereby designate the above named as the person on whom such process or a true copy thereof shall be served.

and that in any suit instituted against any one of them upon this contract, the Insurer(s) will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The above-named person(s) are authorized and directed to accept service of process on behalf of Insurer(s) in any such suit and/or upon the request of the Insured (or Reinsured) to give a written undertaking to the Insured (or Reinsured) that they will enter a general appearance upon Insurers' behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefore, Insurer(s) hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Insured (or Reinsured) or any beneficiary hereunder arising out of this contract of insurance (or reinsurance), and hereby designate the above-named person(s) to whom the said officer is authorized to mail such process or a true copy thereof.

D. APPLICABLE LAW (U.S.A.)

LMA5021
14/09/2005

This Insurance shall be subject to the applicable state law to be determined by the court of competent jurisdiction as determined by the provisions of the Service of Suit Clause (U.S.A.)

E. SANCTION LIMITATION AND EXCLUSION CLAUSE

LMA3100
15/09/10

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America to the extent such compliance is not prohibited by applicable law.

F. WAR AND TERRORISM EXCLUSION ENDORSEMENT

NMA2918
08/10/01

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss;

1. war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
2. any act of terrorism.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to 1 and/or 2 above.

If the Insurers allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Assured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

G. PRIVACY NOTICE

THE FOLLOWING APPLICABLE CLAUSE SHALL APPLY TO HDI GLOBAL SPECIALTY SE PROVIDED THAT HDI GLOBAL SPECIALTY SE IS PARTICIPATING ON THE POLICY:

HDI Global Specialty SE (HDI Global Specialty) is an insurance company whose registered office address is HDI Platz 1, 30659 Hannover, Germany. It is a Data Controller and Data Processor as defined under the EU General Data Protection Regulation ('GDPR').

HDI Global Specialty's notice on how it may collect and deal with your data and how it may be dealt with may be found at the following link: <https://www.hdi-specialty.com/int/en/legals/privacy>

H. APPRAISAL CLAUSE AMENDMENT

This endorsement replaces any and all other provisions regarding appraisal.

If we and you disagree on the value of the property or the amount of loss, either party may make written demand for an appraisal of the value of the property and/or the amount of loss. An appraisal may take place only if:

- a. the other party consents, in writing, to participate in the appraisal process; and
- b. you have complied with all Conditions under the Policy as required.

Sixty (60) days prior to the initial meeting of the appraisal panel, both parties must exchange in writing their position on the monetary amount of the covered loss, this will include identifying the precise scope of the property damage and the pricing it has applied to the damaged property ("Pre Appraisal Exchange"). Both parties agree that they will not present a monetary amount of the covered loss during the appraisal process that differs from it Pre Appraisal Exchange. Further both parties agree that if during the appraisal process either party presents a monetary amount of the covered loss that differs from that in the Pre Appraisal Exchange, the other party may promptly withdraw in writing its consent to the appraisal, and at such time the appraisal shall be terminated and no award should be issued. If an award is issued after consent is withdrawn, it will not be binding on the party that withdrew consent to the appraisal.

If the above stated requirements are met, and the appraisal moves forward, each party shall choose a competent, disinterested, and impartial appraiser. The two appraisers will select a competent, disinterested, and impartial umpire. If the two appraisers cannot agree to an umpire within 30 days, the two appraisers may jointly request that the selection of an umpire be made by a judge of a court having jurisdiction. If the appraisers do not agree to jointly request the appointment of an umpire, the appraisal shall not proceed. The appraisers will separately determine and exchange their estimates of the value of the property and amount of loss including, but not limited to, specific itemization of each item and amount in dispute, but not limited to, building-by-building, floor-by-floor, unit-by-unit, and area-by-area allocation. If the appraisers fail to agree on the value of the property or amount of loss, they will submit their differences to the umpire. Neither the appraisers nor the umpire shall have authority to decide questions of law or to resolve any issue of insurance coverage, policy exclusions, compliance with the policy terms

and conditions, or any issues concerning the Limits of Insurance available under this Policy. The umpire's decision will be binding on the parties.

Each party will:

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

If there is an appraisal, we will not be held to have waived any of our rights by any act relating to the appraisal. If there is an appraisal, we will still retain our right to deny the claim, including, but not limited to, on the grounds that the loss and damage at issue was not caused by a Covered Cause of Loss or is otherwise excluded or not covered under the terms and conditions of the Policy.

Where applicable, the parties agree that during the pendency of an appraisal all required responses and cures to any Civil Remedy Notices are extended until 30 days after the appraisal is concluded.

Contract Allocation Endorsement - SRU-CA

This Insurance is effected with certain insurance underwriters (hereinafter called the "Underwriters"). The following words shall be deemed to be synonymous: "Underwriters", "Insurers", and "Company".

The liability by each "Underwriter" on this contract with the Insured is limited to the participation amount shown in the schedule below. The liability of each separate contract listed and for each "underwriter" represented thereby for any loss or losses or amounts payable is several as to each and shall not exceed its participation percentage shown below and there is no joint liability amounts payable is several as to each and shall not exceed its participation percentage shown below and there is no joint liability of any "Underwriters" pursuant to this contract. An "Underwriter" shall not have its liability hereunder increased or decreased by reason of failure or delay of another "underwriter", its successors, assigns, or legal representatives. Any loss otherwise payable under the provisions of the attached policy that exceeds the allocation of "Risk" as defined herein shall be borne proportionately by the contracts as to their limit of liability at the time and place of the loss bears to the total allocated limits herein.

This contract shall be constructed as a separate contract between the insured and each of the "Underwriters". This evidence of coverage consists of separate sections of a composite insurance for all Underwriter's at Lloyds combined and separate policies issued by the insurance company(ies), all as identified below. This evidence of coverage does not constitute in any manner or form a joint certificate of coverage by Underwriters at Lloyd's with any other insurance company(ies).

In Witness whereof, the following "Underwriters" execute and attest these presents, and subscribe for the amount of insurance provided.

The security is as noted below

Layer of Participation	Attachment Point	Perils	Contract #	Company Code	Policy # Certificate #	%	Participation	Category
5,000	deductibles	AOP excl. NW, EQ, FL	B123024AWS1095	Lloyd's	AOP-240478	100.0000%	5,000	AOPDBB
11,124,496	Deductibles	AOP excl. NW, EQ, FL	B123024AWS1637 - Section 1	Lloyd's	AQS-241444	33.0000%	3,671,084	Core 1
11,124,496	Deductibles	AOP excl. NW, EQ, FL	B123022AWS1641 - Section 1	Lloyd's	MDM-241444	4.0000%	444,980	Core 1
11,124,496	Deductibles	AOP excl. NW, EQ, FL	B123024AWS1457 - Section 1	Lloyd's	HVR-241444	2.5000%	278,112	Core 1
11,124,496	Deductibles	AOP excl. NW, EQ, FL	B123024AWS1643 - Section 1	Lloyd's	RNR-241444	21.5000%	2,391,767	Core 1
11,124,496	Deductibles	AOP excl. NW, EQ, FL	B123024AWS1638 - Section 1	HDI	HAQS-241444	1.5000%	166,867	Core 1
11,124,496	Deductibles	AOP excl. NW, EQ, FL		Partner Re	BMX-241444	5.5000%	611,847	Core 1
11,124,496	Deductibles	AOP excl. NW, EQ, FL		RSUI	VAS-241444	6.0000%	667,470	Core 1
11,124,496	Deductibles	AOP excl. NW, EQ, FL		WW	SCO0010892	12.5000%	1,390,562	Core 1
11,124,496	Deductibles	AOP excl. NW, EQ, FL	B123024AWS1646 - Section 1	Lloyd's	STY-241444	7.0000%	778,715	Core 1
11,124,496	Deductibles	AOP excl. NW, EQ, FL		Palomar	PCOR-241444	3.5000%	389,357	Core 1
11,124,496	Deductibles	AOP excl. NW, EQ, FL		Markel	MSRU004423-00	3.0000%	333,735	Core 1
11,129,496	Deductibles	NW	B123024AWS1637 - Section 1	Lloyd's	AQS-241444	33.0000%	3,672,734	Core 1
11,129,496	Deductibles	NW	B123022AWS1641 - Section 1	Lloyd's	MDM-241444	4.0000%	445,180	Core 1
11,129,496	Deductibles	NW	B123024AWS1457 - Section 1	Lloyd's	HVR-241444	2.5000%	278,237	Core 1
11,129,496	Deductibles	NW	B123024AWS1643 - Section 1	Lloyd's	RNR-241444	21.5000%	2,392,842	Core 1
11,129,496	Deductibles	NW	B123024AWS1638 - Section 1	HDI	HAQS-241444	1.5000%	166,942	Core 1
11,129,496	Deductibles	NW		Partner Re	BMX-241444	5.5000%	612,122	Core 1
11,129,496	Deductibles	NW		RSUI	VAS-241444	6.0000%	667,770	Core 1
11,129,496	Deductibles	NW		WW	SCO0010892	12.5000%	1,391,187	Core 1
11,129,496	Deductibles	NW	B123024AWS1646 - Section 1	Lloyd's	STY-241444	7.0000%	779,065	Core 1
11,129,496	Deductibles	NW		Palomar	PCOR-241444	3.5000%	389,532	Core 1
11,129,496	Deductibles	NW		Markel	MSRU004423-00	3.0000%	333,885	Core 1
11,129,496	Deductibles	EQ	B123024AWS1637 - Section 1	Lloyd's	AQS-241444	33.0000%	3,672,734	Core 1
11,129,496	Deductibles	EQ	B123022AWS1641 - Section 1	Lloyd's	MDM-241444	4.0000%	445,180	Core 1
11,129,496	Deductibles	EQ	B123024AWS1457 - Section 1	Lloyd's	HVR-241444	2.5000%	278,237	Core 1
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11,129,496	Deductibles	EQ		Palomar	PCOR-241444	3.5000%	389,532	Core 1
11,129,496	Deductibles	EQ		Markel	MSRU004423-00	3.0000%	333,885	Core 1

***If the peril of NW - CYHD applies, it is understood that both the Layer of Participation and Attachment Point in the WDBB Category are subject to erosion per terms outlined in the Calendar Year Deductible Endorsement (SRU-058). The overlying Layer of Participation which sits above the WDBB is variable as the WDBB erodes. At inception, the limit is the overlying Layer of Participation less the WDBB Layer of Participation. As the WDBB Category erodes, the overlying limit in the Layer of Participation increases commensurately. The policy limit listed in the Layer of Participation is expressed as the maximum limit.**

Perils are further defined in the primary policy language or as per applicable forms attached to this policy. Symbols used above are defined as follows:

Company Codes:

Lloyds - Certain Underwriters at Lloyd's of London
HDI - HDI Global Specialty SE
Scor - General Security Indemnity Company of Arizona
Munich - The Princeton Excess and Surplus Lines Insurance Company
QBE - QBE Specialty Insurance Company, a North Dakota corporation
WW - Western World Insurance Company
Tudor - Tudor Insurance Company
Palomar - Palomar Excess and Surplus Insurance Company
Markel - Evanston Insurance Company
Berkshire - National Fire & Marine Insurance Company
Trisura - Trisura Specialty Insurance Company
Prosight/Coaction - Gotham Insurance Company
Southwest - Southwest Marine and General Insurance Company
RSUI - Covington Specialty Insurance Company
State National - Superior Specialty Insurance Company
Obsidian - Obsidian Specialty Insurance Company
Partner Re - Partner Re Insurance Solutions of Bermuda

Perils:

AOP - All Other Perils
NW - Named Wind Storm
W/H - Wind/Hail Only
EQ - Earthquake/Earthquake Sprinkler Leakage or Earth Movement/Earth
Movement incl Sprinkler Leakage (as described in the policy form)
FL - flood only
NW CYHD - Named Wind Storm (Calendar Year Hurricane Deductible)
EBD - Equipment Breakdown



**SPECIAL RISK
UNDERWRITERS**

Amwins PROPERTY FORM

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PROPERTY DAMAGE COVERAGE SCHEDULE

A. Premium

The premium shown herein is the premium for the Policy Term and based on the values submitted at inception. We will charge additional premium for values added after the inception date based on those values and the appropriate rates for the exposures added. We may return premium for values sold after the inception date based upon the appropriate rates for exposures sold.

A minimum earned premium of 35.00% or the percentage shown in CAT Minimum Earned Endorsement (SRU-004), if shown as applicable, applies.

B. Policy Territory

This policy covers loss or damage occurring in The United States of America excluding all territories and possessions, foreign locations and Canada.

C. "Insured Location"

The coverages under this policy apply to an "insured location" unless otherwise provided.

An "insured location" is a "location" within the Policy Territory and:

1. listed on the Schedule of Locations attached to this policy or listed on the latest schedule on file with us; or
2. covered under the terms and conditions of the Property Off-Premises coverage extension; or
3. covered under the terms and conditions of the Miscellaneous Unnamed Locations coverage extension; or
4. covered under the terms and conditions of the Newly Acquired Property coverage extension.

D. Coinsurance

Building	NIL
Personal Property	N/A
Business Income	NIL
Rental Value	NIL

E. Limit of Liability

We shall not be liable for more than US\$ 11,129,496 in any one "occurrence" regardless of the number of "locations" or coverages involved.

Program Sub-Limits of Liability

The sub-limits below constitute the program as a whole for the Insured. The Insurers' Limit of Liability is limited to its portion of the program as shown by the limits and layers stated in the SRU-023 Contract Allocation Endorsement.

The sub-limits of liability as specified under this provision, or any other part of this policy or the endorsements attached hereto, are part of and not in addition to the Limit of Liability. These sub-limits do not increase the Limit of Liability or any other sub-limit. We shall not be liable for more than the sub-limit specified.

When a sub-limit is shown as "in the aggregate", our maximum limit of liability will not exceed such limit during the term of the policy.

When a sub-limit applies to property that sub-limit also applies to any "time element" coverage associated with that property.

When a sub-limit is shown as No Coverage, it means that no coverage is provided for that aspect of the policy to which that sub-limit applies.

Program Sub-limits of Liability:		All are per "occurrence" (unless shown as in the aggregate) and are part of, not in addition to, the Limit of Liability.	
PROPERTY DAMAGE COVERAGE - Extensions of Coverage			
1.	Accounts Receivable	\$25,000	
2.	Debris Removal	\$25,000	
3.	Electronic Data Processing Equipment Breakdown	No Coverage	
4.	"Electronic Data Processing Media" Breakdown	No Coverage	
5.	Expediting Expenses	\$10,000	
6.	Fine Arts	\$2,500	
7.	Fire Department Service Charge	\$1,000	
8.	Limited Coverage for "Fungus", Wet Rot, Dry Rot and "Bacteria"	No Coverage	
9.	Miscellaneous Unnamed Locations	No Coverage	
10.	Newly Acquired Property	\$100,000	
11.	Ordinance or Law	I. Included	II. & III. \$1,000,000 (combined)
12.	Outdoor Property	No Coverage	
13.	Pollutant Clean Up and Removal	No Coverage	
14.	Preservation of Property	\$25,000	
15.	Professional Fees	\$25,000	
16.	Property Off-Premises	\$25,000	
17.	Property in Transit	No Coverage	
18.	Service Interruption	\$25,000	
19.	Valuable Papers and Records	\$25,000	
	Time Element Coverage		
1.	Business Income	Included	
2.	Extra Expense	\$10,000	
3.	Leasehold Interest	\$10,000	
4.	Rental Value	\$10,000	

Time Element Coverage - Extensions of Coverage			
1.	Civil Authority	\$25,000	
2.	Contingent Business Income	No Coverage	
3.	Extended Period of Indemnity	30 days	
4.	Ingress or Egress	\$25,000	
5.	Newly Acquired Property	\$10,000	
6.	Service Interruption	\$10,000	
Endorsement - Extensions of Coverage			
1.	Earthquake	\$11,129,496	In the annual aggregate
2.	Flood	No Coverage	In the annual aggregate

F. Deductibles

All losses, damages, or expenses arising out of a single "occurrence" shall be adjusted separately and we will be liable only if you sustain a loss in a single "occurrence" greater than the applicable deductible specified below.

1.	For each and every loss or damage to Covered Property to all "locations", except as specifically stated below or in endorsements attached to this policy.	\$5,000
2.	Named Storm	Refer to SRU-077 Named Storm Percentage Deductible Endorsement
3.	All Other Wind/Hail	Refer to SRU-077 Named Storm Percentage Deductible Endorsement
4.	Earthquake	Refer to SRU-078 Earthquake Percentage Deductible Endorsement
5.	Wind Driven Precipitation	5% per Total Insurable Values per building reported on the Schedule of Values, subject to \$50,000 minimum per occurrence
6.	Time Element	72 hours

G. Application of Deductibles

Except as may be more specifically otherwise stated in this policy, deductibles will be applied according to the following provisions. For the purposes of applying these provisions, "specific type of coverage" shall mean those coverage(s) under Property Damage Coverage or any Time Element coverage and "specific type of property" shall mean a type of property (building or personal property) or as more specifically described in a deductible.

1. Stated percentage deductibles, dollar deductibles, time exclusion or Average Daily Value deductibles which are related to a specific type of coverage or a specific type of property shall be deducted separately with respect to each such coverage or property. If two or more separate deductible amounts apply to the same specific type of coverage or to the same specific type of property, the total to be deducted shall be the largest applicable deductible amount.
2. Deductibles which are not designated as applying to a specific type of coverage or a specific type of property are combined deductibles and shall be deducted from the total loss from all applicable coverages.
3. Except as otherwise stated in the policy, if loss arising out of one "occurrence" is subject to any combination of deductibles, then the amount to be deducted shall be the larger of the deductible amounts as provided for in 1. above, or the largest applicable combined deductible.
4. The deductible amount(s) as determined above shall be deducted from the total loss you suffer arising out of one "occurrence" regardless of the number of "locations" involved, except as otherwise stated in the policy.
5. If a time deductible is designated, we will not be liable for any loss under that coverage that occurs during the specified time period immediately following the loss.
6. When the value of property insured is used in the calculation of a deductible, that value shall be determined according to the valuation provisions contained in this policy.

H. Language

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

PROPERTY DAMAGE COVERAGE**A. Coverage**

We will pay for direct physical loss of or damage to Covered Property at an “insured location” caused by or resulting from any Covered Cause of Loss.

1. Covered Property

Covered Property, as used in this policy, means the type of property described in this section, **A.1.**, and limited in **A.2.**, Property Not Covered.

- a. Building, meaning a building or structure at an “insured location”, including:
 - (1) Completed additions;
 - (2) Fixtures, including outdoor fixtures;
 - (3) Permanently installed:
 - a. Machinery and
 - b. Equipment;
 - (4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
 - a. Fire extinguishing equipment;
 - b. Outdoor furniture;
 - c. Floor coverings; and
 - d. Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
 - (5) If not covered by other insurance:
 - a. Additions under construction, alterations and repairs to the building or structure;
 - b. Materials, equipment, supplies and temporary structures, on or within 250 feet of an “insured location”, used for making additions, alterations or repairs to the building or structure.
- b. Your Business Personal Property located in or on a building at an “insured location” or in the open (or in a vehicle) within 250 feet of an “insured location”, consisting of the following:
 - (1) Furniture and fixtures;
 - (2) Machinery and equipment;
 - (3) “Stock”;
 - (4) All other personal property owned by you and used in your business;
 - (5) Labor, materials or services furnished or arranged by you on personal property of others;
 - (6) Your use interest as a tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
 - a. Made a part of the building or structure you occupy but do not own; and
 - b. You acquired or made at your expense but cannot legally remove;
 - (7) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property of Others.

c. Personal Property of Others that is:

- (1)** In your care, custody or control; and
- (2)** Located in or on a building at an "insured location" or in the open (or in a vehicle) within 250 feet of an "insured location".

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

2. Property Not Covered

Unless provided in B. Extensions of Coverages, or included in the Statement of Values for which a premium is charged, Covered Property does not include

- a.** Accounts, bills, currency, food stamps or other evidences of debt, "money", notes or "securities" or any other documents having a negotiable or market value. Lottery tickets held for sale are not "securities";
- b.** Animals;
- c.** Automobiles held for sale;
- d.** Bridges, roadways, walks, patios or other paved surfaces;
- e.** Contraband, or property in the course of illegal transportation or trade;
- f.** The cost of excavations, grading, backfilling or filling;
- g.** Foundations of buildings, structures, machinery or boilers if their foundations are below:
 - (1)** The lowest basement floor; or
 - (2)** The surface of the ground, if there is no basement;
- h.** Land (including land on which the property is located), water, growing crops or lawns;
- i.** Personal property while airborne or waterborne;
- j.** Bulkheads, pilings, piers, wharves or docks;
- k.** Property that is covered under any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- l.** Retaining walls that are not part of a building;
- m.** Underground pipes, flues or drains;
- n.** Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems;
- o.** Vehicles or self-propelled machines (including aircraft or watercraft) that:
 - (1)** Are licensed for use on public roads; or
 - (2)** Are operated principally away from "insured locations".

This paragraph does not apply to:

 - Vehicles or self-propelled machines or autos you manufacture, process or warehouse;
 - Vehicles or self-propelled machines other than autos, you hold for sale;
 - Rowboats or canoes out of water at "insured locations"; or Trailers.
- p.** The following property while outside of buildings:
 - (1)** Grain, hay, straw or other crops;

- (2) Fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, signs (other than signs attached to buildings), trees, shrubs or plants (other than "stock" of trees, shrubs or plants).

- q. property at "insured location(s)" where the Insured has ceased operations except as provided under the Vacancy provision

B. Extensions of Coverage

This policy includes the following extensions of coverage. These extensions of coverage will not increase the Limit of Liability of this policy and are subject to the applicable sub-limit and policy provisions, including applicable exclusions and deductibles.

1. Accounts Receivable

This policy, subject to the following provisions, is extended to cover the following loss when such loss is caused by direct physical damage from Covered Cause of Loss to accounts receivable records at an "insured location".

a. Type of Loss Covered

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

b. Additional Exclusions - This extension does not insure against loss:

- (1) due to bookkeeping, accounting or billing errors or omissions;
- (2) which requires an audit of records or an inventory computation to prove its factual existence; but this shall not preclude the use of such procedures in support of claim for loss which you can prove, through evidence wholly apart therefrom, is due solely to a risk of loss to records of accounts receivable not otherwise excluded hereunder;
- (3) due to alteration, falsification, manipulation, concealment, destruction or disposal of records of accounts receivable committed to conceal the wrongful giving, taking, obtaining or withholding of money, securities or other property but only to the extent of such wrongful giving, taking, obtaining or withholding.

c. Conditions

- (1) We shall be permitted to inspect the premises and the receptacles in which the records of accounts receivable are kept by you, and to examine and audit your books and records at any time during the policy period and any extension thereof and within three (3) years after the final termination of this policy, as far as they relate to the premium bases or the subject matter of this extension, and to verify the statements of any outstanding record of accounts receivable submitted by you and the amount of recoveries of accounts receivable on which we have made any settlement.
- (2) After payment of loss, all amounts recovered by you on accounts receivable for which you have been indemnified shall belong and be paid to us by you up to the total amount of loss paid by us; but all recoveries in excess of such amounts shall belong to you.
- (3) When there is proof that a loss covered by this extension has occurred but you cannot accurately establish the total amount of accounts receivable outstanding as of the date of such loss, such amount shall be based on your monthly statements and shall be computed as follows:
 - a. determine the amount of all outstanding accounts receivable at the end of the same fiscal month in the year immediately preceding the year in which the loss occurs;

- b. calculate the percentage of increase or decrease in the average monthly total of accounts receivable for the twelve (12) months immediately preceding the month in which the loss occurs, or such part thereof for which you have furnished monthly statements to us, as compared with such average for the same months of the preceding year;
- c. the amount determined under **a.** above, increased or decreased by the percentage calculated under **b.** above, shall be the agreed total amount of accounts receivable as of the last day of the fiscal month in which said loss occurs;
- d. the amount determined under **c.** above shall be increased or decreased in conformity with the “normal” fluctuations in the amount of accounts receivable during the fiscal month involved, due consideration being given to the experience of the business since the last day of the last fiscal month for which statement has been rendered.

d. Deductions

There shall be deducted from the total amount of accounts receivable, however established, the amount of such accounts evidenced by records not lost or damaged, or otherwise established or collected by you, and an amount to allow for probable bad debts which would normally have been uncollectible by you. All unearned interest and service charges shall be deducted.

2. Debris Removal

- a. This policy is extended to cover your expense to remove debris of Covered Property at an “insured location” caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
- b. Debris Removal does not apply to costs to:
 - (1) Extract "pollutants" from land or water; or
 - (2) remove, restore or replace polluted land or water.

3. Electronic Data Processing Equipment Breakdown

This policy is extended to cover direct physical loss or damage to covered electronic data processing equipment and component parts thereof while at an “insured location” and owned, leased or rented by you, or under your control and used by you to process information at “insured locations”; and which is caused by:

- a. Mechanical breakdown or machinery breakdown;
- b. Short circuit, blowout, or other electrical damage to electrical equipment, apparatus or devices, including wiring.

4. “Electronic Data Processing Media” Breakdown

This policy is extended to cover insured direct physical loss or damage to “electronic data processing media” that is:

- a. at an “insured location”;
- b. used in your operations to process and store information at an “insured location”; and
- c. caused by: Mechanical breakdown or machinery breakdown; short circuit, blowout, or other electrical damage to electrical equipment, apparatus, or devices, including wiring.

5. Expediting Expense

This policy is extended to cover, the reasonable and necessary extra costs of temporary repair of direct physical loss or damage by a Covered Cause of Loss to Covered Property at an “insured location” and the extra costs of expediting the permanent repairs or permanent replacement of such damaged property, whichever is less. In no event shall these expediting expenses include expenses recoverable elsewhere in this policy or the cost of permanent repair or replacement of the damaged property.

6. Fine Arts

This policy is extended to cover direct physical loss of or damage to your “fine arts” and “fine arts” of others that are in your care, custody or control from any of the Covered Causes of Loss, provided that the “fine arts” are at an “insured location”.

You agree that “fine arts” will be packed and unpacked by competent packers.

7. Fire Department Service Charge

When the fire department is called to save or protect Covered Property at an “insured location” from a Covered Cause of Loss, we will pay for your liability for fire department service charges:

- a. Assumed by contract or agreement prior to loss; or
- b. Required by local ordinance.

8. Limited Coverage For ‘Fungus’, Wet Rot, Dry Rot And ‘Bacteria’

- a. This policy is extended to cover loss or damage to Covered Property directly caused by or resulting from “fungus”, wet or dry rot, or “bacteria” if such “fungus”, wet or dry rot, or “bacteria” is directly caused by or results from insured direct physical loss or damage.
- b. As applied to this limited coverage for loss or damage by “fungus”, wet or dry rot, and “bacteria”, “loss or damage” means:
 - (1) Direct physical loss or damages to Covered Property by “fungus”, wet or dry rot or “bacteria”, including the cost of removal of the “fungus”, wet or dry rot or “bacteria”;
 - (2) The cost to tear out and replace any part of the building or other property as needed to gain access to the “fungus”, wet or dry rot or “bacteria”; and
 - (3) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is reason to believe that “fungus”, wet or dry rot or “bacteria” are present.
- c. The sub-limit for this extension of coverage is an annual aggregate and applies regardless of the number or type of coverages that may apply, the number of “locations” to which this extension of coverage applies, or regardless of the number or type of “fungus”, wet or dry rot, or “bacteria” that caused the loss or damage. With respect to a particular “occurrence” of loss which results in “fungus”, wet or dry rot or “bacteria”, we will not pay more than the sub-limit stated for this coverage in the PROPERTY DAMAGE COVERAGE SCHEDULE even if the “fungus”, wet or dry rot or “bacteria” continues to be present or active, or recurs, in a later policy period.

9. Miscellaneous Unnamed Locations

This policy is extended to cover your property, of the type we cover in this policy, which is at a “location” within the Policy Territory, in which you had an insurable interest prior to the inception date of this policy and which is:

- a. not on the Schedule of Locations attached to this policy or listed on the latest schedule on file with us; or
- b. listed on the Schedule of Locations attached to this policy or the latest schedule on file with us but for which you have not submitted values and
- c. not covered under any other extension of coverage under of this policy.

10. Newly Acquired Property

- a. This policy is extended to apply to property that you acquire after the inception date of this policy provided that the property:
 - (1) is of the type we cover in this policy; and
 - (2) is at a “location” within the Policy Territory.
- b. No coverage is provided under this provision for property at fairs or exhibitions.

- c. Insurance under this Extension for each newly acquired "location" will end when any of the following first occurs:

- (1) 30 days expire after you acquire or begin to construct the property; or
- (2) You report values to us.

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

11. Ordinance or Law

- a. This policy is extended to provide the following coverage:

(1) Coverage For Loss To The Undamaged Portion Of The Building

With respect to the building at an "insured location" that has sustained covered direct physical damage, we will pay for the loss in value of the undamaged portion of the building, subject to the same basis of recovery which applies to the damaged portion of such building, as a consequence of enforcement of an ordinance or law that requires demolition of undamaged parts of the same building. The amount paid shall not include any greater cost of repair, replacement, construction or reconstruction due to the enforcement of any law or ordinance;

(2) Demolition Cost Coverage

With respect to the building at an "insured location" that has sustained covered direct physical damage, we will pay the cost to demolish the building and clear the site of undamaged parts of the same building, as a consequence of enforcement of an ordinance or law that requires demolition of such undamaged property.

Coinsurance does not apply to this coverage.

(3) Increased Cost Of Construction Coverage

- a. With respect to the building at an "insured location" that has sustained covered direct physical damage, if the basis of recovery is "repair or replacement cost", we will pay the increased cost, excess of (2) above to:

- (1) Repair or reconstruct damaged portions of that building; and/or
- (2) Reconstruct or remodel undamaged portions of that building, whether or not demolition is required;

when the increased cost is a consequence of enforcement of the minimum requirements of the ordinance or law.

However:

- (3) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.
- (4) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

- b. When a building is damaged or destroyed and coverage under this Increased Cost of Construction provision applies, coverage for the increased cost of construction also applies to repair or reconstruction of the following, subject to the same conditions stated in this Increased Cost of Construction provision:

- (1) The cost of excavations, grading, backfilling and filling;
- (2) Foundation of the building;
- (3) Pilings; and
- (4) Underground pipes, flues and drains.

The items listed in **b. (1)** through **b. (4)** above are deleted from Property Not Covered, but only with respect to the coverage described in this Increased Cost of Construction provision.

Coinurance does not apply to this coverage.

- c.** The coverage in **a.** above applies only:
- (1)** if the ordinance or law regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the "insured location" and is in force at the time of loss.
 - (2)** in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this policy.
 - (3)** If the building sustains direct physical damage that is covered under this policy and such damage results in enforcement of the ordinance or law described above.
- d.** If the building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and the building damage in its entirety results in enforcement of the ordinance or law described in **b. (1)** above, we will not pay the full amount of loss otherwise payable under the terms of this Ordinance or Law provision. Instead, we will pay a proportion of such loss; meaning the proportion that the covered direct physical damage bears to the total direct physical damage.
- However, if the covered direct physical damage, alone, would have resulted in enforcement of the ordinance or law described in **b. (1)** above, then we will pay the full amount of loss otherwise payable under the terms of this Ordinance or Law provision.
- If the building sustains direct physical damage that is not covered, and such damage is the only subject of the ordinance or law, then there is no coverage under this extension of coverage even if the building has also sustained covered direct physical damage.
- e.** Under this policy we will not pay for loss due to any ordinance or law that:
- (1)** You were required to comply with before the loss, even if the building was undamaged; and
 - (2)** You failed to comply with.
- f.** Subject to the Sub-Limit of Liability for this Ordinance or Law Provision:
- (1)** For the coverage provided in **a. (2)** above, we will not pay more than the amount you actually spend to demolish and clear the site of the "insured location".
 - (2)** With respect to the coverage provided in **a. (3)** above:
 - a.** We will not pay for the increased cost of construction:
 - i.** Until the property is actually repaired or replaced, at the same or another premises; and
 - ii.** Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - b.** If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the same premises.
- g.** If a building, group of buildings or a "location" is subject to a sub-limit, then any coverage under this extension of coverage for that unit of insurance is part of, and not in addition to, that sub-limit.
- h.** We will not pay under this provision for:
- (1)** Enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or "bacteria"; or

- (2) The costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or "bacteria".

12. Outdoor Property

- a. Provided that such property is at an "insured location" or within 250 feet of an "insured location", this policy is extended to cover your outdoor fences, radio and television antennas (including satellite dishes), signs (other than signs attached to buildings), trees, shrubs and plants (other than "stock" of trees, shrubs or plants), including debris removal expense.
- b. Property covered under this endorsement is subject to all applicable provisions of the Covered Causes of Loss and Exclusions section, as well as to the following exclusions:

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

- (1) Dampness or dryness of atmosphere;
- (2) Changes in or extremes of temperature;
- (3) Rain, snow, ice or sleet; or
- (4) Any auto, motorized vehicle or motorized equipment.

13. Pollutant Clean Up And Removal

- a. This policy is extended to cover your expense to extract "pollutants" from land or water at an "insured location" if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.
- b. This extension does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.
- c. The sub-limit for this extension is the most we will pay for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy.

14. Preservation Of Property

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

- a. While it is being moved or while temporarily stored at another "location" provided that such property is within the Policy Territory; and
- b. Only if the loss or damage occurs within 30 days after the property is first moved.

15. Professional Fees

This policy is extended to cover expenses incurred by you or your representatives including auditors, accountants, appraisers, architects, engineers or other such professionals for producing and certifying particulars or details of your business required by us in order to arrive at the loss payable under this policy in event of a claim. However, no coverage shall apply to expenses incurred for the services of public adjusters or attorneys, insurance agents or brokers, or loss appraisers, nor for services of your employees unless agreed to by us prior to the use of their services.

16. Property Off-Premises

- a. You may extend the insurance provided by this policy to apply to your Covered Property while it is away from an "insured location", if it is within the Policy Territory and:
- (1) Temporarily at a "location" you do not own, lease or operate; or
 - (2) At any fair, trade show or exhibition.

- b. This extension does not apply to property:
 - (1) In or on a vehicle; or
 - (2) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.

17. Property in Transit

- a. This policy is extended to cover your personal property, including your interest in and your liability for personal property of others while in your custody, while such property is in due course of transit within the Policy Territory.
- b. This extension does not insure against loss or damage to:
 - (1) the conveyance used as the mode of transportation (including any part of equipment thereof) or containers;
 - (2) property insured under any marine import or export policy;
 - (3) property shipped by mail or parcel post from the time it passes into the custody of the Postal Service;
 - (4) property while waterborne except while on navigable inland waters of the United States;
 - (5) samples of "merchandise" while in the care, custody or control of your salesmen or sales representatives.
- c. This extension does not insure against loss:
 - (1) with respect to vehicles operated by you, by theft from a vehicle while unattended unless the portion of the vehicle containing the insured property is of entirely closed construction and, at the time of loss, the doors of which shall have been securely locked and the windows of which shall have been firmly closed, and the loss is a direct result of forcible entry of which there shall be visible evidence;
 - (2) due to any fraudulent, dishonest or criminal act or omission by you or a partner of yours; or by theft by any of your employees, while working or otherwise, or by any person to whom the property is entrusted, but this exclusion does not apply to property in the custody of a carrier for hire;
 - (3) resulting from interruption of business, delay, loss of market or use, or indirect or consequential loss of any kind;
 - (4) caused directly or indirectly by seizure or destruction under quarantine or customs regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade.
- d. Benefit to Bailee
This extension shall not inure directly or indirectly to the benefit of any carrier or other bailee.
- e. As respects this extension, all subrogation provisions of this policy are superseded by the following:
 - (1) Any act or agreement by you before or after loss whereby your rights to recover in whole or in part for loss to property against any carrier for hire, bailee, or other party liable therefore, is released, impaired or lost, shall render this insurance null and void, but our right to retain or recover the premium shall not be affected. You, however, may, without prejudice to this insurance, accept the ordinary limited liability form receipts or bills of lading issued by carriers for hire. We are not liable for any loss which you settle or compromise without our written consent.
 - (2) Upon payment of any loss or advancement or loan of money concerning the same, you will, at our request and expense and through such counsel as we may designate, make claim upon and institute legal proceedings against any carrier, bailee or other parties believed to be liable for such loss, and will use all proper and reasonable means to recover the same.
- f. General Average and Salvage

This extension covers general average and salvage charges on property covered by this extension while waterborne.

g. Attachment of Liability

Coverage provided by this extension attaches from the time the property leaves the initial point of shipment until same is delivered at destination. This insurance covers only such shipments, the transportation of which begins within the term of this policy, even though said transportation is not completed within such time and loss or damage may occur after the end of such time.

h. Export and Import Shipments

Coverage provided by this extension shall apply to export shipments only until 'on board' bills of lading are issued or coverage under ocean marine policy attaches. This extension shall also cover import shipments, but only after coverage on such shipments under ocean marine policies has ceased, or, if not insured under ocean marine policies, after discharge from overseas vessel.

i. F.O.B. Shipments

Coverage provided by this extension shall apply to your contingent interest in shipments of property sold F.O.B. (free on board) point of shipment or otherwise, provided that any loss recoverable under this extension to such property is not collectible from any other insurance.

j. Fraudulent Bills of Lading

Coverage provided by this extension shall also apply to loss of "merchandise" occasioned by the unintentional acceptance of fraudulent bills of lading, shipping or messenger receipts.

k. Backhaul Exclusion

This extension does not insure against loss or damage to personal property of others while in your custody if such property is being transported by you in or on vehicles owned, operated, leased or otherwise contracted by you when you are acting as a common or contract carrier.

18. Service Interruption

- a. This policy is extended to pay for loss of or damage to Covered Property at an "insured location", caused by an interruption in utility service to an "insured location". The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss to "utility services" located off an "insured location".
- b. Coverage under this extension for loss or damage to Covered Property does not apply to loss or damage to "electronic data" or "electronic computer programs", including destruction or corruption of "electronic data" or "electronic computer programs".

19. Valuable Papers And Records (Other Than "Electronic Data")

- a. Coverage for Your Business Personal Property under this policy is extended to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this extension does not apply to valuable papers and records which exist as "electronic data" or "electronic computer programs".
- b. Under this extension we will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist), and (when there is a duplicate) for the cost of labor to transcribe or copy the records.

TIME ELEMENT COVERAGE**A. Coverage**

This policy includes the following coverage. The coverage will not increase the Limit of Liability of this policy and is subject to the applicable sub-limit and the policy provisions, including applicable exclusions and deductibles.

1. Business Income

- a. We will pay for your actual loss sustained of "business income" due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to Covered Property at an "insured location". The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, "insured location" includes the area within 250 feet of the "insured location".
- b. With respect to the requirements set forth in the preceding paragraph, if you occupy only a part of a site an "insured location" means:
 - (1) The portion of the building which you rent, lease or occupy; and
 - (2) Any area within the building or on the site, if that area services, or is used to gain access to, the "insured location".

2. Extra Expense

- a. We will pay "extra expense" (other than the expense to repair or replace property) to:
 - (1) Avoid or minimize the "suspension" of business and to continue operations at an "insured location" or at replacement premises or temporary "locations", including relocation expenses and costs to equip and operate the replacement "location" or temporary "location";
 - (2) Minimize the "suspension" of business if you cannot continue "operations" following direct, physical loss or damage to Covered Property at an "insured location" that is caused by or results from a Covered Cause of Loss.
- b. We will also pay "extra expense" to repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have been payable under this policy.

3. Leasehold Interest

- a. This policy covers the following expenses if directly caused by insured direct physical loss or damage to covered buildings from a Covered Cause of Loss if the building is leased by you and located at an "insured location":
 - (1) The actual rent which remains payable for the unexpired term of the "lease" if such property becomes wholly untenable or unusable and the lease agreement requires continuation of the rent payment; or
 - (2) The proportion of the actual rent which remains payable for the unexpired term of the "lease" if such property becomes partially untenable or unusable and the lease agreement requires continuation of the rent payment; or
 - (3) The "leasehold interest" for the first three (3) months following loss or damage and the "net leasehold interest" for the remaining unexpired term of the lease if the lease is canceled by the lessor pursuant to the lease agreement or by the operation of law.
- b. This coverage does not insure against any loss or expense resulting from:
 - (1) The suspension, lapse, or cancellation of any license; or
 - (2) Your exercising an option to cancel the "lease"; or
 - (3) Any act or omission by you which constitutes a default under the "lease".
- c. It is a condition of this coverage that you shall use any suitable property or service owned or controlled by you or obtainable from another source to reduce the amount of loss hereunder.

- d. This policy does not provide this coverage for more than the number of consecutive days shown in the Sub-Limits of Liability section of the PROPERTY DAMAGE COVERAGE SCHEDULE, nor more than the dollar limit of liability shown in the same section.

4. Rental Value

We will pay for the actual loss of "rental value" you sustain due to the necessary "suspension" of your "operations" during the "period of restoration" caused by direct physical loss of or damage to Covered Property at an "insured location". The loss or damage must be caused by or result from Covered Cause of Loss.

B. Time Element Extensions of Coverage

This policy includes the following extensions of coverage. These extensions of coverage will not increase the Limit of Liability of this policy and are subject to the applicable sub-limit and policy provisions, including applicable exclusions and deductibles.

1. Civil Authority

This policy is extended to cover, for up to the greater of fourteen (14) days or the number of days stated in the Sub-Limit of Liability section of the PROPERTY DAMAGE COVERAGE SCHEDULE, the actual loss of "business income" you sustain and necessary "extra expense" caused by action of civil authority that prohibits access to an "insured location" due to direct physical loss of or damage to property of the type covered, within one statute mile of that "insured location", caused by or resulting from any Covered Cause of Loss.

2. Contingent Business Income

This policy is extended to cover the actual loss of "business income" you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to "contingent property" located within the Policy Territory caused by or resulting from a Covered Cause of Loss.

3. Extended Period of Indemnity

If the necessary "suspension" of your "operations" produces a loss payable under Business Income or Rental Value coverage, this policy is extended to pay for the actual loss of "business income" or "rental value" you incur during the period that:

- a. Begins on the date property (except "finished stock") is actually repaired, rebuilt or replaced and "operations" are resumed; and
- b. Ends on the earlier of:
 - (1) The date you could restore your "operations" or tenant occupancy, with reasonable speed, to the level which would generate the "business income" or "rental value" amount that would have existed if no direct physical loss or damage had occurred; or
 - (2) 30 consecutive days after the date determined in a. above.

This extension does not apply to loss of "business income" or "rental value" incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area of the "insured location".

Loss of "business income" or "rental value" must be caused by direct physical loss or damage at an "insured location" caused by or resulting from any Covered Cause of Loss.

4. Ingress or Egress

This policy is extended to cover, for up to the greater of fourteen (14) days or the number of days stated in the Sub-Limit of Liability section of the PROPERTY DAMAGE COVERAGE SCHEDULE, the actual loss of "business income" you sustain due to the necessary "suspension" of your "operations" during the period of time when, as a direct result of direct physical damage caused by a Covered Cause of Loss to property of the type covered at an "insured location" or within one statute mile of an "insured location", ingress to or egress from an "insured location" is thereby physically prevented.

5. Newly Acquired Property

- a. Your Business Income and Extra Expense Coverages are extended to apply to property at any "location" within the Policy Territory that you acquire other than fairs or exhibitions.
- b. Insurance under this Extension for each newly acquired "location" will end when any of the following first occurs:
 - (1) This policy expires;
 - (2) 30 days expire after you acquire or begin to construct the property; or
 - (3) You report values to us.

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

6. Service Interruption

- a. Your Business Income and Extra Expense coverage are extended to apply to a "suspension" of "operations" at an "insured location" caused by an interruption in utility service to that "insured location". The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss to "utility services" located off the "insured location" but within 1,500 feet of that "insured location".
- b. Coverage under this extension for loss or damage to Covered Property does not apply to loss or damage to "electronic data" or "electronic computer programs", including destruction or corruption of "electronic data" or "electronic computer programs".

C. Time Element Conditions

The following conditions apply to any "time element" coverage that may be included in this policy.

1. Identity of Interests

If you are comprised of more than one legal entity, liability shall not exceed the amount of loss had all interests comprised a single legal entity.

2. Resumption of Operations

It is a condition of this insurance that if you could reduce "time element" loss:

- a. by complete or partial resumption of operation of business, whether at the damaged premises or elsewhere; or
- b. by making use of any "stock" at your "location(s)", or elsewhere; or
- c. by making use of any other available source of materials or services; or
- d. by making use of any other available outlet for product(s) or service(s);

such reduction shall be taken into account in arriving at the amount of loss.

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

If Extra Expense coverage is provided, you shall resume "normal" operation of the business and dispense with "extra expense" as soon as practicable.

3. Property in the Course of Construction

The amount of "time element" loss resulting from physical damage to Covered Property in the course of construction which delays your commencement of "operations" shall be calculated by applying the length of time, determined as otherwise provided herein, to the level of "operations" or production that would have been reasonably achieved after construction and start-up would have been completed had no physical damage occurred.

4. Experience of the Business

The amount of "time element" loss as insured against by this policy shall be determined based on:

- a. experience of the business before the loss;
- b. the probable experience thereafter had no loss occurred; Such probable experience shall not include any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
- c. The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
- d. Other relevant sources of information, including:
 - (1) Your financial records and accounting procedures;
 - (2) Bills, invoices and other vouchers; and
 - (3) Deeds, liens or contracts.

If Extra Expense coverage is provided by this policy, such loss shall be determined based on:

- a. All expenses that exceed the "normal" operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
 - (1) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and
 - (2) Any "extra expense" that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
- b. Necessary expenses that reduce the loss under the Business Income coverage part that otherwise would have been incurred.

5. Time Element Exclusions

Except as provided in the Time Element Extension of Coverage, we will not pay for "time element" coverage for:

- a. Any loss caused directly or indirectly by the failure of power or other utility service supplied to an "insured location", however caused, if the failure occurs outside of a covered building. Failure includes lack of sufficient capacity and reduction in supply.

But if the failure of power or other utility service results in a Covered Cause of Loss, we will pay for the loss resulting from that Covered Cause of Loss.
- b. Any loss caused by or resulting from:
 - (1) Damage or destruction of "finished stock"; or
 - (2) The time required to reproduce "finished stock".
This exclusion does not apply to Extra Expense coverage.
- c. Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.
- d. Any increase of loss caused by or resulting from:
 - (1) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
 - (2) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your "business income" during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Period of Indemnity extension of coverage.

- e. Any "extra expense" caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".
- f. Loss for any period during which business would not or could not have been conducted for any reason other than direct physical damage of the type insured against.
- g. Any other consequential loss.

COVERED CAUSES OF LOSS AND EXCLUSIONS

A. Covered Causes of Loss

Risks Of Direct Physical Loss unless the loss is:

- 1. Excluded in Section **B.**, Exclusions; or
- 2. Limited in Section **C.**, Limitations.

B. Exclusions

- 1. **Except as may be provided as an extension of coverage**, we will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

a. Ordinance or Law

The enforcement of any ordinance or law:

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

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

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

b. Earth Movement

- (1) all earth movement (whether occurring naturally or not) including, but not limited to, "earthquake", landslide, subsidence and volcanic eruption.
- (2) collapse, cracking, shrinking, bulging, expansion, shifting, rising, settling, sinking, lateral or other movement, or other kinds of loss or damage to property which would not have occurred but for an event as described in (1) above.

If fire is Covered Cause of Loss, this exclusion shall not apply to loss or damage from fire resulting from (1) through (2). above.

If explosion is Covered Cause of Loss, this exclusion shall not apply to loss or damage from explosion resulting from (1) through (2) above.

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

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

d. Nuclear, Chemical and Biological

- (1) Nuclear detonation, reaction, nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, or due to any act or condition incident to any of the foregoing, whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by, any physical loss or damage insured against by this policy, however such nuclear detonation, reaction, nuclear radiation or radioactive contamination may have been caused. This exclusion replaces any other nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination exclusions found elsewhere in this policy.
- (2) The dispersal, application or release of, or exposure to, chemical or biological materials or agents that are harmful to property or human health, all whether controlled or uncontrolled, or due to any act or condition incident to any of the foregoing, whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by, any physical loss or damage insured against by this policy, however such dispersal, application, release or exposure may have been caused.

e. Utility Services

The failure of power or other utility service supplied to an "insured location", however caused, if the failure occurs away from the "insured location". Failure includes lack of sufficient capacity and reduction in supply.

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

f. War and Military Action

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

g. Flood

(1) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);

(2) Mudslide or mudflow;

(3) Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;

(4) Water under the ground surface pressing on, or flowing or seeping through:

a. Foundations, walls, floors or paved surfaces;

b. Basements, whether paved or not; or

c. Doors, windows or other openings; or

(5) Waterborne material carried or otherwise moved by any of the water referred to in Paragraph 1., 3. or 4., or material carried or otherwise moved by mudslide or mudflow.

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

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

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

This policy does not cover:

- a. "Fungus", wet or dry rot, or "bacteria";
- b. Loss or damage caused directly or indirectly by "fungus", wet or dry rot, or "bacteria";
- c. The costs associated with the enforcement of any ordinance or law which requires you or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "fungus", wet or dry rot, or "bacteria".

This exclusion applies whether or not the loss event results in widespread damage or affects a substantial area.

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

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

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

- b. Delay, loss of use or loss of market.
- c. Smoke, vapor or gas from agricultural smudging or industrial operations.
- d. **(1)** Wear and tear;
(2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
(3) Smog;
(4) Settling, cracking, shrinking or expansion;
(5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals;
(6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision;
(7) The following causes of loss to personal property:
 - (a)** Dampness or dryness of atmosphere;
 - (b)** Changes in or extremes of temperature; or
 - (c)** Marring or scratching.

But if an excluded cause of loss that is listed in **3.d.(1)** through **(7)** results in a "specified cause of loss" or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss" or building glass breakage.

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

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

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

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

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

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

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

k. Collapse. But if collapse results in a Covered Cause of Loss at an "insured location", we will pay for the loss or damage caused by that Covered Cause of Loss.

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

4. We will not pay for loss or damage caused by or resulting from any of the following, **4.a.** through **4.c.** But if an excluded cause of loss that is listed in **4.a.** through **4.c.** results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in **A. Covered Causes of Loss, Paragraph 1. or 2.** above to produce the loss or damage.

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

c. Faulty, inadequate or defective:

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

of part or all of any property on or off an "insured location".

5. Electronic Exclusion

This policy does not insure against loss or damage to, or any cost, claim or expense directly or indirectly arising out of or relating to, any of the following, regardless of any other cause or event contributing concurrently or in any other sequence to the loss, damage, claim or expense:

a. "data", "electronic data", "programs", or "electronic computer programs",

b. failure of, interruption of, loss of use of, loss of access to, or reduction or alteration in the accuracy, functionality, availability, or operation of "data", "electronic data", "programs", or "electronic computer programs",

c. any instruction, including but not limited to any "computer virus", introduced into, or caused to act upon "computer operations",

d. errors in configuring "computer operations",

e. failure of, interruption of, loss of use of, loss of access to, or reduction or alteration in the accuracy, functionality, availability, or operation of "computer operations".

Notwithstanding anything in the above to the contrary, and subject to the other terms and conditions of this policy not in conflict herewith, this policy insures against direct physical loss or damage caused by a Covered Cause of Loss to insured computer hardware and "electronic data processing media".

6. Pollution Exclusion

This policy does not cover any of the following:

- a. Loss or damage caused by, resulting from, contributed to or made worse by actual, alleged or threatened release, discharge, escape or dispersal of "pollutants", however caused;
- b. The expense or cost to extract or remove "pollutants" from debris;
- c. The expense or cost to extract or remove "pollutants" from land or water;
- d. The expense or cost to extract or remove, restore or replace contaminated or polluted land or water;
- e. The costs associated with the enforcement or any ordinance or law which requires you or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "pollutants";
- f. Any cost to transport any property or debris to a site for storage or decontamination required because the property is infected by "pollutants", whether or not such removal, transport or decontamination is required by law, regulation or any authority governing such matters;
- g. Any cost to store or otherwise dispose of any property because "pollutants" infect the property; or
- h. Any expense for the investigation or defense of any loss, damage or any cost, loss of use expense, fine or penalty or for any expense or claim or suit related to any of the above.

7. Materials Exclusion

This policy does not cover loss or damage caused directly or indirectly by any of the following:

- a. Removal of asbestos, dioxin, and polychlorinated biphenols from any goods, products, structures or debris;
- b. Demolition, increased cost of reconstruction, repair, debris removal or loss of use necessitated by the enforcement of any law or ordinance regulating such asbestos, dioxin, and polychlorinated biphenols;
- c. Any governmental direction or request declaring that such asbestos, dioxin, and polychlorinated biphenols present in or part of or utilized in any undamaged portion of your property can no longer be used for the purpose for which it was intended or installed and must be removed or modified; or
- d. Any expense for the investigation or defense of any loss, damage or any cost, loss of use expense, fine or penalty or for any expense or claim or suit related to any of the above.

8. Fines or Penalties

This policy will not pay any costs, expenses, fines or penalties incurred or sustained by or imposed on you at the order of any government agency, court or other authority arising from any cause whatsoever.

9. Mysterious Disappearance

Loss disclosed in taking inventory, unless the loss results from physical loss or damage not excluded in this policy

10. Cosmetic Loss or Damage

This policy does not cover cosmetic loss or damage to "Roof or siding coverings", windows, doors or guttering by the peril of hail.

Cosmetic loss or damage means only that damage that alters the physical appearance of property, but does not result in damage that allows penetration of water through the roof coverings, siding, windows, doors or guttering or does not result in failure of the roof coverings, siding, windows, doors or guttering to perform its intended function to keep out elements over an extended period of time.

11. Multi-Layered Roofing or Siding

This policy does not cover loss or damage caused by "Specified Causes of Loss" to "Roof or siding coverings" when two or more layers of "Roof or siding coverings" have been applied to the structure.

C. Limitations

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

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

However, this limitation does not apply to:

- (1) Building materials and supplies held for sale by you, unless they are insured under a Builders Risk Coverage Form; or
 - (2) Business Income coverage or Extra Expense coverage.
 - e. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.
 - f. Property that has been transferred to a person or to a place outside the "insured location" on the basis of unauthorized instructions.
2. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:
 - a. Animals, and then only if they are killed or their destruction is made necessary.
 - b. Fragile articles such as statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:
 - (1) Glass; or
 - (2) Containers of property held for sale.
 - c. Builders' machinery, tools and equipment owned by you or entrusted to you, provided such property is Covered Property.

However, this limitation does not apply:

 - (1) If the property is located on or within 250 feet of the described premises, unless the premises is insured under the Builders Risk Coverage Form; or
 - (2) To Business Income coverage or to Extra Expense coverage.

3. The special limit shown for each category, **a.** through **d.**, is the total limit for loss of or damage to all property in that category. The special limit applies to any one "occurrence" of theft, regardless of the types or number of articles that are lost or damaged in that "occurrence". The special limits are:
 - a. \$2,500 for furs, fur garments and garments trimmed with fur.
 - b. \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
 - c. \$2,500 for patterns, dies, molds and forms.
 - d. \$250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property.
4. We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage:
 - a. Results in discharge of any substance from an automatic fire protection system; or
 - b. Is directly caused by freezing.

GENERAL CONDITIONS

A. Cancellation Common Policy Condition

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

B. Other Common Policy Conditions

1. Changes

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

2. Examination of Your Books and Records

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

3. Inspections and Surveys

- a. We have the right to:
 - (1) Make inspections and surveys at any time;
 - (2) Give you reports on the conditions we find; and

(3) Recommend changes.

b. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

(1) Are safe or healthful; or

(2) Comply with laws, regulations, codes or standards.

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

4. Premiums

The first Named Insured shown in the DECLARATIONS:

a. Is responsible for the payment of all premiums; and

b. Will be the payee for any return premiums we pay.

5. Transfer of Your Rights and Duties under This Policy

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

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

C. Loss Conditions

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

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

a. Pay its chosen appraiser; and

b. Bear the other expenses of the appraisal and umpire equally.

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

3. Duties In The Event Of Loss or Damage

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

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

(2) Give us prompt notice of the loss or damage. Include a description of the property involved.

(3) As soon as possible, give us a description of how, when and where the loss or damage occurred.

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

- (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
- (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
- (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request.
- (8) Cooperate with us in the investigation or settlement of the claim.
- (9) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.

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

4. Insurance under Two or More Coverages

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

5. Loss Payment

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

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

We will determine the value of lost or damaged property, or the cost of its repair or replacement, in accordance with the applicable terms of the Valuation Condition in this policy or any applicable provision which amends or supersedes the Valuation Condition.

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

6. Other Insurance

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

7. Underlying Insurance

Permission is granted to you to purchase insurance on all or any part of the deductibles of this policy and the existence of such underlying insurance shall not prejudice any recovery otherwise payable under this policy.

8. Excess Insurance

Excess insurance is insurance over the limit of liability set forth in this Policy. The existence of such excess insurance shall not prejudice the coverage provided under this Policy nor will it reduce any liability hereunder.

9. Salvage and Recovery

When, in connection with any loss hereunder, any salvage or recovery is received subsequent to the payment of such loss, the loss shall be figured on the basis on which it would have been settled had the amount of salvage or recovery been known at the time the loss was originally determined. Any amount thus found to be due either party from the other shall be paid promptly.

The expense of all proceedings necessary to such recoveries shall be apportioned between the interests concerned in the ratio of their respective recoveries as finally settled. If there should be no recovery and proceedings are conducted solely by us, we will pay the expense of the proceeding.

10. Recovered Property

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

11. Vacancy

a. This policy insures:

- (1) "vacant" or "unoccupied" buildings, including Covered Property therein, at "insured location(s)"; or
- (2) Covered Property at "insured location(s)" where the Insured has ceased operations.

b. All subject to and provided that:

- (1) existing fire protection, watch and alarm services at such "insured location(s)" are maintained; and
- (2) written notice is given to the Company prior to the 60th consecutive calendar day of cessation of operations, vacancy or unoccupancy.

c. We will not pay for any loss or damage if the building where loss or damage occurs has been "vacant" or "unoccupied" for more than 60 consecutive days before that loss or damage.

d. This extension excludes coverage from loss due to theft, attempted theft, vandalism, malicious mischief, sprinkler leakage (unless the Insured has protected the system against freezing), or

building glass breakage.

12. Valuation

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

- a. At the "repair or replacement cost" as of the time of loss or damage, except as provided in **b.**, **c.**, **d.** and **e.** below.
- b. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.
- c. Glass at the cost of replacement with safety glazing material if required by law.
- d. Tenant's Improvements and Betterments at:
 - (1) Actual cash value of the lost or damaged property if you make repairs promptly.
 - (2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
 - (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
 - (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.

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

- (3) Nothing if others pay for repairs or replacement.
- e. "Electronic data processing media": the cost of the blank "electronic data processing media" plus the cost of copying the "electronic data" or "electronic computer programs" from back-up or from originals of the previous generation, even though "electronic data" and "electronic computer programs" are not covered by this policy. These costs will not include research and engineering or any costs of restoring, gathering, assembling or recreating such "electronic data" or "electronic computer programs". Nor does this policy insure any amount pertaining to the value of such "electronic data" or "electronic computer programs" to you or any other party, even if such "electronic data" or "electronic computer programs" cannot be restored, recreated, gathered or assembled.

In no event shall the value include any additional cost directly or indirectly associated with the enforcement of any law or ordinance regulating the storage, processing, collection, transmission, recording, management, privacy or protection of "media", "electronic data processing media", "data", "electronic data", "programs" or "electronic computer programs".

If the "electronic data processing media" is not repaired, replaced or restored, the basis of valuation shall be the cost of the blank "electronic data processing media".

- f. "fine arts" the least of the following amounts:
 - (1) The actual cash value of that property;
 - (2) The cost of reasonably restoring that property to its condition immediately before loss or damage; or
 - (3) The cost of replacing that property with substantially identical property.

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

- g. Property in transit: the amount of invoice, including prepaid or advanced freight, if any, your profit or commission as selling agent, and such other costs and charges as may have accrued and become legally due thereon since shipment. In the absence of an invoice, the property shall be valued at its actual cash value at point of shipment.

h. "Roof or siding coverings" if originally installed or last fully replaced older than twelve (12) years from the inception date at not more than the Actual Cash Value of the property at the time of loss or damage to the property. Actual Cash Value shall mean the lesser of:

- (1) replacement cost less depreciation; or
- (2) market value.

In no event shall the loss exceed the actual cost to repair or replace the property with materials of like kind and quality, nor the amount for which the Insured may be liable, nor the applicable policy limit(s) or sublimit(s).

D. Additional Conditions

1. Coinsurance

If a Coinsurance percentage is shown for Building, Personal Property, Business Income or Rental Value coverage in the PROPERTY DAMAGE COVERAGE SCHEDULE, the following condition applies to that particular property or coverage.

We will not pay the full amount of any loss if the value at the time of loss times the Coinsurance percentage shown in the PROPERTY DAMAGE COVERAGE SCHEDULE for the applicable property or coverage is greater than the last reported value prior to the loss to that property or for that particular coverage.

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

- (1) Multiply the value for the particular property or coverage at the time of loss by the Coinsurance percentage;
- (2) Divide the last reported value prior to the loss for that coverage or property by the figure determined in step (1);
- (3) Multiply the total amount of loss, before the application of any deductible, by the figure determined in step (2); and
- (4) Subtract the deductible from the figure determined in step (3).

We will pay the amount determined in step (4) or any applicable limit of liability or sub-limit of liability, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

For the purposes of the application of this provision, value shall mean:

For Building, Personal Property or Property Damage: the value of Covered Property.

For Business Income: the "business income" that would have been earned or incurred (had no loss occurred) by your "operations" at the "insured location" and all other "locations" where "business income" loss ensues for the 12 months following the inception, or last previous anniversary date, of this policy (whichever is later).

For Rental Value: "rental value" that would have been earned or incurred (had no loss occurred) by your "operations" at the "insured location" for the 12 months following the inception, or last previous anniversary date, of this policy (whichever is later).

2. Concealment, Misrepresentation or Fraud

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

- a. This policy;
- b. The Covered Property;
- c. Your interest in the Covered Property; or
- d. A claim under this policy.

3. Control of Property

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

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

4. Knowledge or Control

We will not pay for loss or damage while the chance of loss or damage is increased by any means within your knowledge or control.

5. Legal Action against Us

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

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

6. Mortgageholders

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

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

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

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

- f. If we cancel this policy, we will give written notice to the Mortgageholder at least 10 days before the effective date of cancellation.
- g. If we elect not to renew this policy, we will give written notice to the Mortgageholder at least 10 days before the expiration date of this policy.

7. No Benefit to Bailee

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

8. Policy Period, Policy Territory

Under this policy:

- a. We cover loss or damage commencing:
 - (1) During the policy period shown in the DECLARATIONS; and
 - (2) Within the Policy Territory.

9. Transfer of Rights of Recovery against Others to Us

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

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

This will not restrict your insurance.

10. Conformity with Statute

Terms of this policy, which are in conflict with the statutes of the state wherein this policy is issued, are hereby amended to conform to such statutes.

E. Definitions

- 1. "100% Value of the Property Insured" means 100% of the property insured at the time of loss or damage at the "locations" where the physical damage occurred.
- 2. "Bacteria" means any type or form of bacterium; or any byproduct that is produced or released by such bacterium.
- 3. "Business income" means the:
 - a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
 - b. Continuing "normal" operating expenses incurred, including payroll.For manufacturing risks, Net Income includes the net sales value of production.
- 4. "Computer operations" means "computer systems" or "electronic data communications system".
- 5. "Computer systems" means computer hardware of any kind; "electronic computer programs"; "electronic data processing media"; "electronic data"; operating system; "media" microchip; microprocessors (computer chips); integrated circuit or similar device; computer network and networking equipment; firmware; servers; web sites; "extranet"; and all input, output, processing, storage, and off-line "media" libraries.
- 6. "Computer virus" means any corrupting, harmful or otherwise unauthorized instructions or code including, but not limited to, any maliciously introduced unauthorized instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. "Computer virus" includes, but is not limited to, 'Trojan Horses', 'worms' and time or logic bombs'.
- 7. "Contingent property" means property operated by others who are:
 - a. Direct suppliers of materials or services to you and from whom you are contractually obligated to purchase materials or services. But any property which delivers any of the following services is not considered to be a "contingent property" with respect to such services:
 - 1. Water supply services;

2. Power supply services; or
 3. Communication supply services, including services relating to internet access or access to any electronic network;
- b. Your direct customers who are contractually obligated to accept product(s) produced or service(s) provided by you;
8. "Data" means information or knowledge.
 9. "Earthquake" means quaking, vibratory or undulating movement of a portion of the earth's crust, produced by underground volcanic forces or by breaking and shifting of rock beneath the earth's crust.
 10. "Electronic computer programs" means computer software, applications software, and other recorded instructions for the processing, sequencing, collecting, transmitting, recording, retrieval, or storage of "electronic data"
 11. "Electronic data" means "data" recorded or transmitted in a form usable in "computer systems", microchips, integrated circuits or similar devices in non-computer equipment, and which can be stored on "electronic data processing media" for use by "electronic computer programs".
 12. "Electronic data communications system" means any communication system, including "computer systems" and the "internet", which provides the Insured with access to other "computer systems", microchips, integrated circuits or similar devices in non-computer equipment, or which provides any party access to your "computer systems", microchips, integrated circuits or similar devices in non-computer equipment.
 13. "Electronic data processing media" means punch cards, paper tapes, floppy disks, CD-ROM, hard drives, magnetic tapes, magnetic discs or any other tangible personal property on which "electronic data" or "electronic computer programs" are recorded or transmitted, but not the "electronic data" or "electronic computer programs" themselves. "Money" or "securities" are not "electronic data processing media".
 14. "Extranet" means an internal computer network that has been selectively opened to suppliers, customers, or other third parties via the "internet" or otherwise.
 15. "Extra expense" means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.
 16. "Fine arts" means paintings; etchings; pictures; tapestries; rare or art glass; art glass windows; valuable rugs; statuary; sculptures; antique furniture; bric-a-brac; porcelains; and similar property of rarity, historical value, or artistic merit excluding automobiles, coins, stamps, furs, jewelry, precious stones, precious metals, watercraft, aircraft, "money" and "securities".
 17. "Finished stock" means stock you have manufactured.

"Finished stock" does not include stock you have manufactured that is held for sale on the premises of any retail outlet insured under this policy.
 18. "Full 12 Months Time Element Values" means full 12 months Time Element values that would have been earned in the 12-month period following the "occurrence" by use of the facilities at the "location" where the physical damage occurred and all other "locations" where Time Element loss ensues.
 19. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
 20. "High Hazard Flood Zone" means areas which at the time of loss or damage have been designated by the Federal Emergency Management Agency to be in a Special Flood Hazard Area (SFHA).
 21. "Internet" means the worldwide publicly accessible network of computers, which is commonly referred to as 'The Internet' or 'World Wide Web', or any other similar publicly accessible network hereafter to be developed.
 22. "Lease" means the lease or rental agreement, whether written or oral, in effect as of the time of loss.

23. "Leasehold interest" means the excess rent paid for either the same or similar replacement property over the amount of rent and other charges which would have been payable under the unexpired "lease" plus bonuses or advance rent paid (including any maintenance, operating charges or taxes) for each month during the unexpired term of the Insured's "lease".
24. "Location(s)" means locations as listed on the Schedule of Locations attached to this policy or as listed on the latest schedule on file with us. If not so specified or if the Miscellaneous Unnamed Location provision is applicable, a building, yard, dock, wharf, pier or bulkhead (or any group of the foregoing) bounded on all sides by public streets, clear land space or open waterways, each not less than fifty feet wide. Any bridge or tunnel crossing such street, space or waterway will render such separation inoperative.
25. "Media" means any item of tangible personal property on which "data" or "programs" can be recorded, but not the "data" or "programs" themselves. "Money" or "securities" are not "media".
26. "Merchandise" means goods kept for sale by you, which are not the product of your manufacturing operations.
27. "Money" means currency, coins, bank notes and bullion; and travelers checks, register checks and money orders held for sale to the public.
28. "Net leasehold interest" means the present value of the amount which placed at four percent (4%) annual interest would equal the "leasehold interest" (less any amounts otherwise payable hereunder).
29. "Named Storm" means including, but not be limited to, storm, cyclone, typhoon, atmospheric disturbance, depression or other weather phenomena designated by the US National Hurricane Center and where a name (and not only a number) has been applied.
30. "Normal" means the condition that would have existed had no loss occurred.
31. "Occurrence" means, except as may be more specifically defined for a Covered Cause of Loss, any one loss, disaster or casualty, or series of losses, disasters or casualties arising out of one event. When the word applies to loss or losses from the perils of tornado, tsunami, windstorm, Named Windstorm, hail, riot, riot attending a strike, civil commotion, malicious mischief, "flood", "earthquake" or leakage from fire extinguishing equipment due to "earthquake", if such perils are covered under this "policy", one event shall be construed to be all losses arising during a continuous period of seventy-two (72) hours. When filing proof of loss, you may elect the moment at which such seventy-two (72) hour period shall be deemed to have commenced, which shall not be earlier than when the first loss to property or interests insured under this policy occurs. However, we shall not be liable hereunder for any loss or damage:
 - a. occurring before this policy becomes effective; or
 - b. arising from an "occurrence" which is in progress at the time this policy becomes effective, even if such loss or damage occurs after this policy becomes effective; or
 - c. occurring after the expiration of this policy, except loss or damage arising from an "occurrence" in progress at the time this policy expires.
32. "Operations" means:
 - a. Your business activities occurring at an "insured location"; and
 - b. The tenant ability of an "insured location", if Rental Value coverage applies.
33. "Period of restoration" means the period of time that:
 - a. Begins: immediately after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at an "insured location"; and
 - b. Ends on the earlier of:
 - (1) The date when the property at an "insured location" should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - (2) The date when business is resumed at a new permanent "location".

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

- (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
- (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

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

The "period of restoration" definition, with respect to "contingent property", is the same as above, but with the term "contingent property" replacing "insured location".

34. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including, but not limited to, asbestos, dioxin, polychlorinated biphenols, smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

"Pollutants" include, but are not limited to those materials that can cause or threaten damage to human health or human welfare or cause or threaten damage, deterioration, loss of value, marketability or loss of use to property including "bacteria", fungi, mold, mildew, virus or hazardous substances as listed in the Federal Water Pollution Control Act, Clean Air Act, Resource Conservation and Recovery Act of 1976, Toxic Substances Control Act or as designated by the U.S. Environmental Protection Agency or any other governing authority.

35. "Program" means recorded instructions, whether digital or otherwise, for the processing, collecting, transmitting, recording, retrieval or storage of "data".

36. "Rental Value" means:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of an "insured location" as furnished and equipped by you, including fair rental value of any portion of an "insured location" which is occupied by you; and
- b. Continuing "normal" operating expenses incurred in connection with that "insured location", including:
 - (1) Payroll; and
 - (2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.

37. "Repair or replacement cost" means the lesser of:

- a. The cost to rebuild or replace on the same site with new materials of like size, kind and quality.
- b. The cost in rebuilding, repairing or replacing on the same or another site, but not to exceed the size and operating capacity that existed on the date of loss.
- c. The selling price of real property or machinery and equipment, other than stock, offered for sale on the date of loss.
- d. The cost to replace unrepairable electrical or mechanical equipment, including computer equipment, with equipment that is the most functionally equivalent to that damaged or destroyed, even if such equipment has technological advantages and/or represents an improvement in function and/or forms part of a program of system enhancement.
- e. The increased cost of demolition, if any, resulting from loss covered by this Policy, if such property is scheduled for demolition.
- f. The actual cash value if such property is:
 - (1) useless to you; or
 - (2) not repaired, replaced or rebuilt on the same or another site within one year from the date of loss.

"Repair or replacement cost" does not include any increase of loss resulting from enforcement of any law, ordinance, regulation or rule, regulating or restricting the construction, installation, repair, replacement, demolition, occupancy, operation or other use of property at an "insured location" other than that provided for in the Ordinance or Law provision of the Extensions of Coverage.

38. "Roof or siding coverings" means the material exposed to "Specified Causes of Loss", including, but not limited to, roof coatings and canopies, siding coatings, or any material or components used in conjunction with a roof or sidings construction or re-covering including, but not limited to, shingles, shakes, flashing, sheathing, decking, insulation, and membranes.
39. "Securities" means all negotiable and nonnegotiable instruments or contracts representing either "money" or other property and includes revenue and other stamps in current use, tokens and tickets, but does not include "money".
40. "Specified Causes of Loss" means the following: Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.
 - a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
 - (1) The cost of filling sinkholes; or
 - (2) Sinking or collapse of land into man-made underground cavities.
 - b. Falling objects does not include loss or damage to:
 - (1) Personal property in the open; or
 - (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
 - c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam.
41. "Stock" means "merchandise" held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.
42. "Suspension" means:
 - a. The slowdown or cessation of your business activities; or
 - b. That a part or all of the "insured location" is rendered untenable, if coverage for "rental value" applies.
43. "Tier 1 Windstorm Areas" means the following counties, parishes and independent cities including barrier islands within these states:
 - (1) Florida: All
 - (2) Hawaii: All
 - (3) Alabama: Baldwin, Mobile
 - (4) Connecticut: Fairfield, Middlesex, New Haven, New London;
 - (5) Delaware: Sussex
 - (6) Georgia: Bryan, Camden, Chatham, Glynn, Liberty, McIntosh
 - (7) Louisiana: Cameron, Iberia, Jefferson, Lafourche, Orleans, Plaquemines, St. Bernard, St. Mary, St. Tammany, Terrebonne, Vermillion
 - (8) Massachusetts: Barnstable, Bristol, Dukes, Essex, Nantucket, Norfolk, Plymouth, and Suffolk
 - (9) Maryland: Worcester

- (10) Maine: Cumberland, Hancock, Knox, Lincoln, Sagadahoc, Waldo, Washington, and York;
- (11) Mississippi: Hancock, Harrison, Jackson
- (12) New Hampshire: Rockingham, Strafford
- (13) North Carolina: Beaufort, Bertie, Brunswick, Camden, Carteret, Chowan, Currituck, Craven, Dare, Hyde, New Hanover, Onslow, Pamlico, Pasquotank, Pender, Perquimans, Tyrrell, Washington
- (14) New Jersey: Atlantic, Cape May, Monmouth, Ocean
- (15) New York: Kings, Nassau, Queens, Richmond, Suffolk
- (16) Rhode Island: Newport, Washington
- (17) South Carolina: Beaufort, Berkeley, Charleston, Colleton, Georgetown, Horry, Jasper
- (18) Texas: Aransas, Brazoria, Calhoun, Cameron, Chambers, Galveston, Harris, Jackson, Jefferson, Kennedy, Kleberg, Matagorda, Nueces, Refugio, Orange, San Patricio, Willacy
- (19) Virginia: Accomack, Gloucester, Isle of Wight, James City, Lancaster, Matthews, Middlesex, Northampton, Northumberland, Surry, York and Independent Cities of Chesapeake, Hampton, Newport News, Norfolk, Poquoson, Portsmouth, Suffolk, Virginia Beach.

44. "Time Element" means coverage provided under the Time Element section of this policy.
45. "Total Insurable Value" means 100% value of the Covered Property at the time of loss or damage at the "locations" where the physical damage occurred plus full 12 months Time Element values that would have been earned in the 12-month period following the "occurrence" by use of the facilities at the "location" where the physical damage occurred and all other "locations" where Time Element loss ensues.
46. "Utility services" means;
- a. the following property supplying water to the "insured location":
 - 1. Pumping stations; and
 - 2. Water mains.
 - b. the following property supplying communication services, including telephone, radio, microwave or television services to the "insured locations":
 - 1. Communication transmission lines, including optic fiber transmission lines;
 - 2. Coaxial cables; and
 - 3. Microwave radio relays except satellites.
 - c. the following types of property supplying electricity, steam or gas to "insured locations":
 - 1. Utility generating plants;
 - 2. Switching stations;
 - 3. Substations;
 - 4. Transformers; and
 - 5. Transmission lines.
- Utility Services does not mean or include overhead transmission lines.
47. "Unoccupied" means containing contents pertaining to the occupancy of the building while operations or other customary activities are suspended.
48. "Vacant" means containing no contents pertaining to operations or activities customary to occupancy of the building.

APPENDIX ONE (USED ONLY FOR LAYERED PROGRAMS)

In consideration of the premium charged, it is agreed that the following provisions are added to the policy as respects the liability of the Insurer:

1. PRIORITY OF PAYMENTS (applicable to primary or Underlying Policy(ies) only)

Any recoveries made under this policy shall first apply to loss or damage not insured by the excess policy(ies). Upon exhaustion of this policy's limit, the excess policy(ies) shall step down and be liable for the loss in excess of the amount attributed to this policy as respects loss or damage insured thereunder subject to the excess policy(ies) limits.

2. STEP DOWN / DROP DOWN (applicable to excess policies only)

In determining the amount of any loss or damage for which this policy is excess, the total loss caused by any combination of loss or damage, all of which are insured against under the primary policy or underlying policy, shall be used even though such loss or damage is not insured against under this excess policy.

A. Any recoveries made under the primary or Underlying Policy shall first apply to loss or damage not insured against by this policy. Upon exhaustion of the primary or Underlying Policy limits, this policy shall apply in excess of the amount attributed to the primary or Underlying Policy as respects loss or damage insured hereunder subject to the limit of this policy.

B. If there is any other excess insurance insuring the property insured hereunder for loss or damage insured against in the primary or Underlying Policy but not insured by this policy, this policy shall then allocate any loss recoveries made under the primary or Underlying Policy in the same proportion as the amount of loss or damage insured against by this policy bears to the combined total loss. Upon exhaustion of the primary or Underlying Policy limits, this policy shall apply in excess of the amount attributed to the primary or Underlying Policy as respects loss or damage insured hereunder subject to the limit of this policy.

C. Sub-Paragraph B. above shall not apply, however, when the amount of loss attributed to loss or damage insured under the primary or Underlying Policy, but not insured under this policy, exceed the total amount of insurance provided by the primary and excess coverages with respect to said loss or damage. In this situation, any recoveries made under the primary or Underlying Policy shall first apply to loss or damage not insured by this policy. Upon exhaustion of the primary or Underlying Policy limits, this policy shall apply in excess of the amount attributed to the primary or Underlying Policy as respects loss or damage insured hereunder subject to the limit of this policy.

D. It is further agreed, in the event the Flood and/or "Earthquake" annual aggregate limits of any primary or underlying policy are diminished or exhausted in any one policy year, any loss or damage insured under this policy for Flood and/or "Earthquake" shall apply as excess of any undiminished or unexhausted limits subject to the Underlying Policy deductibles. All other terms and conditions of this policy remain unchanged.

Earthquake (Excluding Sprinkler Leakage) Endorsement

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the:

AmWINS PROPERTY FORM

1. Paragraph **B. Exclusions**, item **b. Earth Movement**, of the **Covered Causes Of Loss And Exclusions** Section is replaced by the following:

b. Earth Movement

- (1) Any earth movement (other than “earthquake” and volcanic eruption), such as landslide, or earth sinking, rising or shifting.
- (2) collapse, cracking, shrinking, bulging, expansion, shifting, rising, settling, sinking, lateral or other movement, or other kinds of loss or damage to property occurring from events other than “earthquake” and volcanic eruption.

If fire is a Covered Cause of Loss, this exclusion shall not apply to loss or damage from fire resulting from (1) through (2). above.

If explosion is Covered Cause of Loss, this exclusion shall not apply to loss or damage from explosion resulting from (1) through (2) above.

2. The following is added to Paragraph **E. Limit of Liability** of the **Property Damage Coverage Schedule** Section.

Earthquake Limit Of Liability:

The liability of the Company for loss or damage caused by “earthquake” and volcanic eruption shall not exceed the limits of **\$per policy form**, for loss or damage at any one insured location. Notwithstanding the limit of liability stated herein, if any, liability shall not exceed the sum of **\$per policy form** due to any one “earthquake” or volcanic eruption loss nor shall it exceed the sum of **\$per policy form** in any one year period or policy period, whichever is less.

3. The following is added to Paragraph **F. Deductible** of the **Property Damage Coverage Schedule** Section.

Earthquake Deductible:

The sum of **\$per policy form** shall be deducted from any adjusted claim due to “earthquake” or volcanic eruption.

4. Each loss by “earthquake” or volcanic eruption shall constitute a single claim hereunder; provided that if more than one earthquake shock or volcanic eruption shall occur within any period of 72 hours during the term of this endorsement, such shocks shall be considered to constitute a single “earthquake” or volcanic eruption.
5. If the coverage of the policy to which this endorsement is attached includes Property Damage and Business Interruption, the foregoing limits shall be the maximum amounts collectible under this policy for loss or damage resulting from the peril describes in Paragraph 2. above, regardless of whether the loss involves Property Damage alone or both Property Damage and Business Interruption.
6. This policy does not cover liability for direct loss or damage to covered property caused by or resulting from sprinkler leakage from fire protective equipment even if such sprinkler leakage is caused directly by “earthquake” as insured against by this policy.

CAT Minimum Earned Premium

The following additional provisions shall apply with respect to the cancellation clause of this policy:

- A.** If this policy covers any location or locations in “Tier 1 wind zone(s)” as defined in this policy, and the policy is cancelled at the request of the Insured, the following provision will apply.

If coverage existed at any time during the period from June 1st to November 30th, the amount of premium we will return will be a percentage of the total premium, determined as follows:

1 Year Policy

Days in Force	Percentage
1 to 180	20%
181 to 210	15%
211 to 240	10%
241 to 270	7.5%
271 to 300	5.0%
301 to 330	2.5%
331 to 365	0.0%

If a coverage or location is added or deleted to the policy, each type of coverage or such location(s) shall be underwritten separately and the rate will be determined based upon the characteristics of the risk.

If a location within a “Tier 1 wind zone” is added or deleted, and coverage for that location existed at any time during the period from June 1st to November 30th, the premium to be returned for that location will be determined using the table above.

If a location is not within a “Tier 1 wind zone” and is added or deleted, normal pro rata or short rate factors shall apply as appropriate.

- B.** Tier 1 wind zone is defined as follows:

All reference herein to “Tier I”, “Tier I Windstorm” or similar “Tier I” references, shall be defined as all locations situated within *Tier I States or Counties* as specified below:

- Alabama: Baldwin, Mobile;
- Connecticut: Fairfield, Middlesex, New Haven, and New London;
- Delaware: Sussex;
- Florida: Entire State of Florida;
- Georgia: Bryan, Camden, Chatham, Glynn, Liberty, McIntosh;
- Hawaii: Entire State of Hawaii;
- Louisiana: Cameron, Iberia, Jefferson, Lafourche, Orleans, Plaquemines, St. Mary, St. Bernard, St. Tammany, Terrebonne, Vermilion;
- Massachusetts: Barnstable, Bristol, Dukes, Essex, Nantucket, Norfolk, Plymouth, and Suffolk
- Maryland: Worcester;
- Maine: Cumberland, Hancock, Knox, Lincoln, Sagadahoc, Waldo, Washington, and York;
- Mississippi: Hancock, Harrison, Jackson;
- New Hampshire: Rockingham and Strafford;
- New Jersey: Atlantic, Cape May, Monmouth, and Ocean;
- New York: Kings, Nassau, Queens, Richmond, and Suffolk;
- North Carolina: Beaufort, Bertie, Brunswick, Camden, Carteret, Chowan, Currituck, Craven, Dare, Hyde, New Hanover, Onslow, Pamlico, Pasquotank, Pender, Perquimans, Tyrrell and Washington;
- Rhode Island: Newport and Washington

South Carolina: Beaufort, Berkley, Charleston, Colleton, Georgetown, Horry, Jasper;
Texas: Aransas, Brazoria, Calhoun, Cameron, Chambers, Galveston, Harris, Jackson, Jefferson,
Kenedy, Kleberg, Matagorda, Nueces, Orange, Refugio, San Patricio, Victoria, Willacy;
Virginia: Accomack, Northampton, Virginia Beach City, Chesapeake, Gloucester, Hampton City, Isle of
Wright, James City, Lancaster, Mathews, Middlesex, Newport News, Norfolk City,
Northumberland, Poquoson City, Portsmouth City, Suffolk City, Surry, Westmoreland,
Williamsburg City, York;
All other states: As provided by endorsement hereto (if any).

All other terms and conditions of the policy remain the same.

Electronic Date Recognition Exclusion (EDRE)

Any other similar Exclusion within this Policy (or within any other Endorsement which forms part of this Policy) is deleted and replaced by the following:

This Policy does not cover any loss, damage, cost, claim or expense, whether preventative, remedial or otherwise, directly or indirectly arising out of or relating to:

- a.** the calculation, comparison, differentiation, sequencing or processing of data involving the date change to the year 2000, or any other date change, including leap year calculations, by any computer system, hardware, programme or software and/or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the Insured or not; or
- b.** any change, alteration, or modification involving the date change to the year 2000, or any other date change, including leap year calculations, to any such computer system, hardware, programme or software and/or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the Insured or not.

This clause applies regardless of any other cause or event that contributes concurrently or in any sequence to the loss, damage, cost, claim or expense.

Land, Water And Air Exclusion

Notwithstanding any provision to the contrary within the Policy of which this Endorsement forms part (or within any other Endorsement which forms part of this Policy), this Policy does not insure land (including but not limited to land on which the insured property is located), water or air, howsoever and wherever occurring, or any interest or right therein.

Seepage And/Or Pollution And/Or Contamination Exclusion

Notwithstanding any provision to the contrary within the Policy of which this Endorsement forms part (or within any other Endorsement which forms part of this Policy), this Policy does not insure:

- a. any loss, damage, cost or expense, or
- b. any increase in insured loss, damage, cost or expense, or
- c. any loss, damage, cost, expense, fine or penalty, which is incurred, sustained or imposed by order, direction, instruction or request of, or by any agreement with, any court, government agency or any public, civil or military authority, or threat thereof, (and whether or not as a result of public or private litigation),

which arises from any kind of seepage or any kind of pollution and/or contamination, or threat thereof, whether or not caused by or resulting from a peril insured, or from steps or measures taken in connection with the avoidance, prevention, abatement, mitigation, remediation, clean-up or removal of such seepage or pollution and/or contamination or threat thereof.

The term "any kind of seepage or any kind of pollution and/or contamination" as used in this Endorsement includes (but is not limited to):

- a. seepage of, or pollution and/or contamination by, anything, including but not limited to, any material designated as a "hazardous substance" by the United States Environmental Protection Agency or as a "hazardous material" by the United States Department of Transportation, or defined as a "toxic substance" by the Canadian Environmental Protection Act for the purposes of Part II of that Act, or any substance designated or defined as toxic, dangerous, hazardous or deleterious to persons or the environment under any other Federal, State, Provincial, Municipal or other law, ordinance or regulation; and
- b. the presence, existence, or release of anything which endangers or threatens to endanger the health, safety or welfare of persons or the environment.

Asbestos Endorsement

Any other similar Provision within this Policy (or within any other Endorsement which forms part of this Policy) is deleted and replaced by the following:

A. This Policy only insures asbestos physically incorporated in an insured building or structure, and then only that part of the asbestos which has been physically damaged during the period of insurance by one of these Listed Perils:

fire; explosion; lightning; windstorm; hail; direct impact of vehicle, aircraft or vessel; riot or civil commotion, vandalism or malicious mischief; or accidental discharge of fire protective equipment.

This coverage is subject to each of the following specific limitations:

1. The said building or structure must be insured under this Policy for damage by that Listed Peril.
2. The Listed Peril must be the immediate, sole cause of the damage of the asbestos.
3. The Assured must report to Underwriters the existence and cost of the damage as soon as practicable after the Listed Peril first damaged the asbestos. However, this Policy does not insure any such damage first reported to the Underwriters more than 12 months after the expiration, or termination, of the period of insurance.
4. Insurance under this Policy in respect of asbestos shall not include any sum relating to:
 - a. Any faults in the design, manufacture or installation of the asbestos;
 - b. Asbestos not physically damaged by the Listed Peril including any governmental or regulatory authority direction or request of whatsoever nature relating to undamaged asbestos.

B. Except as set forth in the foregoing Section **A**, this Policy does not insure asbestos or any sum relating thereto.

Property Cyber and Data Exclusion

- 1 Notwithstanding any provision to the contrary within this Policy or any endorsement thereto this Policy excludes any:
 - 1.1 Cyber Loss;
 - 1.2 loss, damage, liability, claim, cost, expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any Data, including any amount pertaining to the value of such Data;regardless of any other cause or event contributing concurrently or in any other sequence thereto.
- 2 In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.
- 3 This endorsement supersedes and, if in conflict with any other wording in the Policy or any endorsement thereto having a bearing on Cyber Loss or Data, replaces that wording.

Definitions

- 4 Cyber Loss means any loss, damage, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any Cyber Act or Cyber Incident including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any Cyber Act or Cyber Incident.
- 5 Cyber Act means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof involving access to, processing of, use of or operation of any Computer System.
- 6 Cyber Incident means:
 - 6.1 any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any Computer System; or
 - 6.2 any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any Computer System.
- 7 Computer System means:
 - 7.1 any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility,owned or operated by the Insured or any other party.
- 8 Data means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a Computer System.

Mold and Microorganism Exclusion

THIS STATEMENT LIMITS THE COVERAGE PROVIDED HEREIN.

PLEASE READ IT CAREFULLY

The following definition is added to the Policy;

“Mold” means any species of fungi, including but not limited to, mold, yeast, mildew, spores, mold, toxins, mycotoxins, mold metabolites, mold antigens, mold allergens, mold-produced antibiotics, or dust or fumes containing any of the foregoing, individually, or in any combination therewith or with another substance.

Notwithstanding anything to the contrary contained in the Policy:

- 1) We will not pay for, and this Policy therefore excludes, any loss, damage, cost, or expense caused directly or indirectly by, arising out of, resulting from, contributed to by, or related in any way to “Mold”, a contagion, or a microorganism of any type including but not limited to any substance whose presence poses an actual or potential threat to human health, regardless of any other cause or event that contributes concurrently, or in any sequence with, the loss, damage, cost or expense; and
- 2) We will not defend any claim or suit, or pay any damages, loss, expense, cost or obligation caused directly or indirectly by, arising out of, resulting from, contributed to by, or related in any way to “Mold”, a contagion, or a microorganism whose presence poses an actual or potential threat to human health.

This exclusion also applies to any damage, loss, cost, or expense arising out or associated in any way, with any:

- a) request, demand, or order that any insured or others abate, mitigate, test for, monitor, remediate, clean up, remove, contain, treat, detoxify, kill, destroy, dispose of, investigate or neutralize, or in any way respond to or assess the presence or effects of “Mold”, contagion or any microorganism; or
- b) claim or suit on behalf of any person, entity, or organization, including any governmental authority, for damages because of abating, mitigating testing for, monitoring, remediating cleaning up, removing, containing, treating, detoxifying, killing, destroying, disposing of, investigating, or neutralizing, or in any way responding to, or assessing, the effects of “Mold”, contagion or any microorganism; or
- c) any obligation to share with, repay, or indemnify any person, organization or entity, related in any way to items a) and b) above.

This Exclusion applies regardless whether there is (i) any physical loss or damage to insured property; (ii) any insured peril or cause, whether or not contributing concurrently or in any sequence; (iii) any loss of use, occupancy, or functionality; or (iv) any action required, including but not limited to repair, replacement, removal, cleanup, abatement, disposal, relocation, or steps taken to address medical or legal concerns.

This Exclusion replaces and supersedes any provision in the Policy that provides insurance, in whole or in part, for these matters.

Flood Exclusion

Any other similar Exclusion within this Policy (or within any other Endorsement which forms part of this Policy) is deleted and replaced by the following:

This policy does not insure against loss or damage caused by any of the following, regardless of the cause of such event and regardless of any other cause or event contributing concurrently or in any other sequence to the loss or damage:

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

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

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

Occurrence Limit of Liability - Stated Value

1. The Limit of Liability or Amount of Insurance shown on the face of this policy, or endorsed onto this policy, is the total of the Insurer(s) liability applicable to each occurrence, as hereafter defined. Notwithstanding any other terms and conditions of this policy to the contrary, in no event shall the liability of the Insurer(s) exceed this limit or amount irrespective of the number of locations involved.

The term "occurrence" shall have the same meaning as that provided in the Policy/ies of the Primary Insurer(s).

2. The premium for this policy is based upon the Statement of Values on file with the Insurer(s), or attached to this policy. In the event of loss hereunder, liability of the Insurer(s), subject to terms of paragraph 1. above, shall be limited to the least of the following:
 - a. The actual adjusted amount of loss, less applicable deductible(s).
 - b. 100% of the individually stated value for each scheduled item of property involved, as shown on the latest Statement of Values on file with Insurer(s), less applicable deductible(s) and primary and underlying excess limits. If no value is shown for a scheduled item then there is no coverage for that item; or
 - c. The Limit of Liability or Amount of Insurance shown on the Declarations of this policy or as endorsed onto this policy.

Equipment Breakdown Coverage Form

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

Throughout this policy, the words “you” and “your” refer to the Named Insured shown in the Declarations. The words “we,” “us” and “our” refer to the Company providing this Insurance. Other words and phrases that appear in quotation marks have special meaning. Refer to Section G - DEFINITIONS. Examples are shown for illustrative purposes only and do not represent predicted or expected outcomes.

A. COVERAGE

This Equipment Breakdown Coverage provides insurance for a Covered Cause of Loss as defined in A.1. below. In the event of a Covered Cause of Loss, we will pay for loss as described in A.2. below.

1. Covered Cause of Loss – “Accident”

The Covered Cause of Loss for this Equipment Breakdown Coverage is an “accident.” Without an “accident,” there is no Equipment Breakdown Coverage.

a. “Accident” means a fortuitous event that causes direct physical damage to “covered equipment.” The event must be one of the following:

- (1) Mechanical breakdown, including rupture or bursting caused by centrifugal force;
- (2) Artificially generated electrical current, including electrical arcing, that damages electrical devices, appliances or wires;
- (3) Explosion, other than combustion explosion, of steam boilers, steam piping, steam engines or steam turbines;
- (4) An event inside steam boilers, steam pipes, steam engines or steam turbines that damages such equipment;
- (5) An event inside hot water boilers or other water heating equipment that damages such equipment; or
- (6) Bursting, cracking or splitting.

“Accident” does not include any condition or event listed in Definition G.1.b.

b. “Covered Equipment” means the following:

- (1) Unless specified otherwise in the Declarations:
 - (a) Equipment that generates, transmits or utilizes energy, including electronic communications and data processing equipment; or
 - (b) Equipment which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.

“Covered equipment” may utilize conventional design and technology or new or newly commercialized design and technology.

- (2) Except as specifically provided for under Off Premises Property Damage, Service Interruption, Contingent Business Income, paragraph (2) of Perishable Goods and Civil Authority, such equipment must be at a location described in the Declarations and must be owned or leased by you or operated under your control.

“Covered equipment” does not include any property listed in Definition G.9.b.

2. Coverages Provided

This section lists the coverages that may apply in the event of an “accident.” Each coverage is subject to a specific limit as shown in the Declarations. See paragraph C.2. for details.

These coverages apply only to the direct result of an “accident.” For each coverage, we will pay only for that portion of the loss, damage or expense that is solely attributable to the “accident.”

a. Property Damage

We will pay for physical damage to “covered property” that is at a location indicated in the Declarations at the time of the “accident.”

b. Off Premises Property Damage

If you have transportable “covered equipment” that, at the time of the “accident,” is within the Policy Territory, but is not:

- (1) At a location indicated in the Declarations; or
 - (2) At any other location owned or leased by you,
we will pay for physical damage touch “covered equipment.”
- c. Business Income**
- (1) We will pay your actual loss of “business income” during the “period of restoration” that results directly from the necessary total or partial interruption of your business.
 - (2) We will also pay any necessary expenses you incur during the “period of restoration” to reduce the amount of loss under this coverage. We will pay for such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.
 - (3) We will consider the actual experience of your business before the “accident” and the probable experience you would have had without the “accident” in determining the amount of our payment.
- d. Extra Expense**
- We will pay the reasonable and necessary “extra expense” to operate your business during the “period of restoration.”
- e. Service Interruption**
- We will pay for your loss and expense as defined under Business Income coverage and Extra Expense coverage that is the result of an “interruption of service.”
- f. Contingent Business Income**
- We will pay for your loss and expense as defined under Business Income and Extra Expense coverages that:
- (1) Results from an “interruption of supply”; or
 - (2) Results from an “accident” to an “anchor location.”
- g. Perishable Goods**
- (1) We will pay for physical damage to “perishable goods” due to “spoilage.”
 - (2) We will also pay for physical damage to “perishable goods” due to “spoilage” that is the result of an “interruption of service.”
 - (3) We will also pay for physical damage to “perishable goods” due to contamination from the release of refrigerant, including but not limited to ammonia.
 - (4) We will also pay any necessary expenses you incur during the “period of restoration” to reduce the amount of loss under this coverage. We will pay for such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.
- h. Data Restoration**
- (1) We will pay for your reasonable and necessary cost to research, replace or restore lost “data.”
 - (2) We will also pay for your loss and expense as defined under Business Income coverage and Extra Expense coverage that is the result of h.(1) above, if such coverage is otherwise applicable under this policy. This coverage is included within and subject to your Data Restoration limit.
- i. Demolition**
- (1) This coverage applies if an “accident” damages a building that is “covered property” and the loss is increased by an ordinance or law that:
 - (a) Requires the demolition of a building that is otherwise repairable;
 - (b) Is in force at the time of the “accident”; and
 - (c) Is not addressed under Hazardous Substances coverage.
 - (2) We will pay for the following additional costs to comply with such ordinance or law:
 - (a) Your actual and necessary cost to demolish and clear

the site of the undamaged parts of the building; and
(b) Your actual and necessary cost to reconstruct the undamaged parts of the building.

- (3) As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no such ordinance or law been in force at the time of the "accident."
- (4) We will also pay for your loss and expense as defined under Business Income coverage and Extra Expense coverage that is the result of i.(1) above, if such coverage is otherwise applicable under this policy. This coverage is included within and subject to your Demolition limit.

j. Ordinance or Law

- (1) This coverage applies if an "accident" damages a building that is "covered property" and the loss is increased by an ordinance or law that:
- (a) Regulates the construction or repair of buildings, including "building utilities";
 - (b) Is in force at the time of the "accident"; and
 - (c) Is not addressed under Demolition coverage or Hazardous Substances coverage.
- (2) We will pay for the following additional costs to comply with such ordinance or law:
- (a) Your actual and necessary cost to repair the damaged portions of the building;
 - (b) Your actual and necessary cost to reconstruct the damaged portions of the building; and
 - (c) Your actual and necessary cost to bring undamaged portions of the building into compliance with the

ordinance or law.

- (3) As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no such ordinance or law been in force at the time of the "accident."
- (4) We will also pay for your loss and expense as defined under Business Income coverage and Extra Expense coverage that is the result of j.(1) above, if such coverage is otherwise applicable under this policy. This coverage is included within and subject to your Ordinance or Law limit.

k. Expediting Expenses

With respect to your damaged "covered property," we will pay the reasonable extra cost to:

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

l. Hazardous Substances

- (1) We will pay for the additional cost to repair or replace "covered property" because of contamination by a "hazardous substance." This includes the additional expenses to clean up or dispose of such property. This does not include contamination of "perishable goods" by refrigerant, including but not limited to ammonia, which is addressed in Perishable Goods, A.2.g.(3).
- (2) As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no "hazardous substance" been involved.
- (3) We will also pay for your loss and expense as defined under Business Income coverage and Extra Expense coverage that is the result of l.(1) above, if such coverage is otherwise applicable under this policy. This coverage

is included within and subject to your Hazardous Substances limit.

m. Newly Acquired Locations

- (1) You will notify us promptly of any newly acquired location that you have purchased or leased during the Policy Period.
- (2) All coverages applicable to any scheduled location under this Equipment Breakdown Coverage are extended to a newly acquired location that you have purchased or leased during the Policy Period.
- (3) This coverage begins at the time you acquire the property. As respects newly constructed properties, we will only consider them to be acquired by you when you have fully accepted the completed project.
- (4) This coverage ends when any of the following first occurs:
 - (a) This Policy expires;
 - (b) The number of days specified in the Declarations for this coverage expires after you acquire the location;
 - (c) The location is incorporated into the regular coverage of this policy; or
 - (d) The location is incorporated into the regular coverage of another Equipment Breakdown policy you have.
- (5) If limits or deductibles vary by location, the highest limits and deductibles will apply to newly acquired locations. However, the most we will pay for loss, damage or expense arising from any "one accident" is the amount shown as the Newly Acquired Locations limit in the Declarations.
- (6) We will charge you additional premium for newly acquired locations from the date you acquire the property.

n. Course of Construction

This coverage is automatically included

and does not need to be indicated in the Declarations.

- (1) You will notify us promptly of any expansion or rehabilitation of any location described in the Declarations.
- (2) All coverages applicable to any location described in the Declarations are extended to an expansion or rehabilitation of that location.
- (3) This coverage begins at the time you begin the expansion or rehabilitation project.
- (4) We will charge you additional premium for newly acquired equipment from the date the equipment is installed.

o. Civil Authority

We will pay for your loss and expense as defined under Business Income and Extra Expense coverages that results from a civil authority prohibiting access to a location described in the Declarations due solely to an "accident" that causes damage to property within one mile of such location, provided that such action is taken in response to dangerous physical conditions resulting from the "accident," or to enable a civil authority to have unimpeded access to the damaged property.

B. EXCLUSIONS

We will not pay for any excluded loss, damage or expense, even though any other cause or event contributes concurrently or in any sequence to the loss, damage or expense.

1. We will not pay for loss, damage or expense caused directly or indirectly by any of the following, whether or not caused by or resulting from an "accident."
 - a. **Fire and Explosion**
 - (1) Fire, including smoke from a fire.
 - (2) Combustion explosion. This includes, but is not limited to, a combustion explosion of any steam boiler or other fired vessel.
 - (3) Any other explosion, except as specifically provided in A.1.a.(3).
 - b. **Ordinance or Law**

The enforcement of, or change in, any ordinance, law, regulation, rule or

- ruling regulating or restricting repair, replacement, alteration, use, operation, construction or installation, except as specifically provided in A.2.i., j. and l. (Demolition, Ordinance or Law and Hazardous Substances coverages).
- c. **Earth Movement**
Earth movement, whether natural or human-made, including but not limited to earthquake, shock, tremor, subsidence, landslide, rock fall, earth sinking, sinkhole collapse or tsunami.
- d. **Nuclear Hazard**
Nuclear reaction, detonation or radiation, or radioactive contamination, however caused.
- e. **War and Military Action**
- (1) War, including undeclared or civil war;
 - (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
 - (3) Insurrection, rebellion, revolution, usurped power, political violence or action taken by governmental authority in hindering or defending against any of these.
- f. **Water**
- (1) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
 - (2) Mudslide or mudflow;
 - (3) Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;
 - (4) Water under the ground surface pressing on, or flowing or seeping through:
 - a. Foundations, walls, floors or paved surfaces;
 - b. Basements, whether paved or not; or
 - c. Doors, windows or other openings; or
- (5) Waterborne material carried or otherwise moved by any of the water referred to in Paragraph 1., 3. or 4., or material carried or otherwise moved by mudslide or mudflow.
- This exclusion applies regardless of whether any of the above, in Paragraphs 1. through 5., is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.
- However, if electrical "covered equipment" requires drying out because of the above, we will pay for the amount you actually expend to dry out such equipment, subject to the applicable Property Damage limit and Direct Coverage deductible. We will not pay more than the Actual Cash Value of the affected electrical "covered equipment." We will not pay to replace such equipment or for any other loss, damage or expense.
- g. **Failure to Protect Property**
Your failure to use all reasonable means to protect "covered property" from damage following an "accident."
- h. **Fines**
Fine, penalty or punitive damage.
- i. **Mold**
Mold, fungus, mildew or yeast, including any spores or toxins created or produced by or emanating from such mold, fungus, mildew or yeast. This includes, but is not limited to, costs arising from clean-up, remediation, containment, removal or abatement of such mold, fungus, mildew, yeast, spores or toxins. However, this exclusion does not apply to "spoilage" of personal property that is "perishable goods" to the extent that such "spoilage" is covered under Perishable Goods coverage.
- j. **Vandalism**
Vandalism, meaning a willful and malicious act that causes damage or destruction.
2. We will not pay for an "accident" caused by or resulting from any of the following causes of loss:

- a. Lightning.
 - b. Windstorm or Hail. However, this exclusion does not apply when:
 - (1) "Covered equipment" located within a building or structure suffers an "accident" that results from wind-blown rain, snow, sand or dust; and
 - (2) The building or structure did not first sustain wind or hail damage to its roof or walls through which the rain, snow, sand or dust entered.
 - c. Collision or any physical contact caused by a "vehicle." This includes damage by objects falling from aircraft. However, this exclusion does not apply to any unlicensed "vehicles" which you own or which are operated in the course of your business.
 - d. Riot or Civil Commotion.
 - e. Leakage or discharge of any substance from an automatic sprinkler system, including collapse of a tank that is part of the system.
 - f. Volcanic Action.
 - g. An electrical insulation breakdown test.
 - h. A hydrostatic, pneumatic or gas pressure test.
 - i. Water or other means intended to extinguish a fire, even when such an attempt is unsuccessful.
 - j. Elevator collision.
3. We will not pay for an "accident" caused by or resulting from any of the following perils, if such peril is a covered cause of loss under another coverage part or policy of insurance you have, whether collectible or not, and without regard to whether or not the other coverage part or policy of insurance provides the same coverage or scope of coverage as this policy.
- a. Falling Objects.
 - b. Weight of Snow, Ice or Sleet.
 - c. Water Damage, meaning discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance containing water or steam.
 - d. Collapse.
 - e. Breakage of Glass.
 - f. Freezing caused by cold weather.
 - g. Discharge of molten material from equipment, including the heat from such discharged material.
4. Exclusions 2. and 3. do not apply if all of the following are true:
- a. The excluded peril occurs away from any location described in the Declarations and causes an electrical surge or other electrical disturbance;
 - b. Such surge or disturbance is transmitted through utility service transmission lines to a described location;
 - c. At the described location, the surge or disturbance results in an "accident" to "covered equipment" that is owned or operated under the control of you or your landlord; and
 - d. The loss, damage or expense caused by such surge or disturbance is not a covered cause of loss under another coverage part or policy of insurance you have, whether collectible or not, and without regard to whether or not the other coverage part or policy of insurance provides the same coverage or scope of coverage as this policy.
5. With respect to Business Income, Extra Expense and Service Interruption coverages, we will also not pay for:
- a. Loss associated with business that would not or could not have been carried on if the "accident" had not occurred;
 - b. Loss caused by your failure to use due diligence and dispatch and all reasonable means to resume business;
 - c. That part of any loss that extends beyond or occurs after the "period of restoration." This includes, but is not limited to:
 - (1) "Business income" that would have been earned after the "period of restoration," even if such loss is the direct result of the suspension, lapse or cancellation of a contract during the "period of restoration"; and
 - (2) "Extra expense" to operate your business after the "period of restoration," even if such loss is

contracted for and paid during the "period of restoration."

- d. Any increase in loss resulting from an agreement between you and your customer or supplier. This includes, but is not limited to, contingent bonuses or penalties, late fees, demand charges, demurrage charges and liquidated damages.
- 6. With respect to Off Premises Property Damage coverage, Service Interruption coverage, Contingent Business Income coverage, paragraph (2) of Perishable Goods coverage and Civil Authority coverage, we will also not pay for an "accident" caused by or resulting from any of the perils listed in Exclusion 3. above, whether or not such peril is a covered cause of loss under another coverage part or policy of insurance you have.
 - 7. With respect to Data Restoration coverage, we will also not pay to reproduce:
 - a. Software programs or operating systems that are not commercially available; or
 - b. "Data" that is obsolete, unnecessary or useless to you.
 - 8. With respect to Demolition and Ordinance or Law coverages, we will also not pay for:
 - a. Increased demolition or reconstruction costs until they are actually incurred; or
 - b. Loss due to any ordinance or law that:
 - (1) You were required to comply with before the loss, even if the building was undamaged; and
 - (2) You failed to comply with; whether or not you were aware of such non-compliance.

C. LIMITS OF INSURANCE

Any payment made under this Equipment Breakdown Coverage will not be increased if more than one insured is shown in the Declarations or if you are comprised of more than one legal entity.

1. Equipment Breakdown Limit

The most we will pay for loss, damage or expense arising from any "one accident" is the amount shown as the Equipment Breakdown Limit in the Declarations.

2. Coverage Limits

- a. The limit of your insurance under each

of the coverages listed in A.2. from loss, damage or expense arising from any "one accident" is the amount indicated for that coverage in the Declarations. These limits are a part of, and not in addition to, the Equipment Breakdown Limit. If an amount of time is shown, coverage will continue for no more than that amount of time immediately following the "accident." If a coverage is shown as "Included," that coverage is provided up to the remaining amount of the Equipment Breakdown Limit. If no limit is shown in the Declarations for a coverage, or if a coverage is shown as Excluded in the Declarations, that coverage will be considered to have a limit of \$0.

- b. If two or more coverage limits apply to the same loss or portion of a loss, we will pay only the smallest of the applicable limits for that loss or portion of the loss. This means that if:

- (1) You have a loss under one of the coverages listed in A.2.; and
- (2) All or part of the loss is not covered because the applicable coverage is Excluded or has a limit that is less than the amount of your loss,

we will not pay the remaining amount of such loss under any other coverage.

EXAMPLE 1

Property Damage Limit: \$7,000,000

Business Income Limit: \$1,000,000

Newly Acquired Locations Limit: \$500,000

There is an "accident" at a newly acquired location that results in a Property Damage loss of \$200,000 and a Business Income loss of \$800,000.

We will pay \$500,000, because the entire loss is subject to the Newly Acquired Locations Limit of \$500,000.

EXAMPLE 2

Property Damage Limit: \$7,000,000

Business Income Limit: \$500,000

Hazardous Substances Limit: \$25,000

There is an "accident" that results in a loss of \$100,000. If no "hazardous substance" had been involved, the property damage loss would have been \$10,000 and the business income loss would have been \$20,000. The presence of

the “hazardous substance” increased the loss by \$70,000 (increasing the clean up and repair costs by \$30,000 and increasing the business income loss by \$40,000).

We will pay \$55,000 (\$10,000 property damage plus \$20,000 business income plus \$25,000 hazardous substances).

D. DEDUCTIBLES

1. Deductibles for Each Coverage

- a. Unless the Declarations indicate that your deductible is combined for all coverages, multiple deductibles may apply to any “one accident.”
- b. We will not pay for loss, damage or expense under any coverage until the amount of the covered loss or damage exceeds the deductible amount indicated for that coverage in the Declarations. We will then pay the amount of loss, damage or expense in excess of the applicable deductible amount, subject to the applicable limit indicated in the Declarations.
- c. If deductibles vary by type of “covered equipment” and more than one type of “covered equipment” is involved in any “one accident,” only the highest deductible for each coverage will apply.
- d. The following applies when a deductible is expressed as a function of the horsepower rating of a refrigerating or air conditioning system. If more than one compressor is used with a single system, the horsepower rating of the largest motor or compressor will determine the horsepower rating of the system.

2. Direct and Indirect Coverages

- a. Direct Coverages Deductibles and Indirect Coverages Deductibles may be indicated in the Declarations.
- b. Unless more specifically indicated in the Declarations:
 - (1) Indirect Coverages Deductibles apply to Business Income and Extra Expense loss, regardless of where such coverage is provided in this Equipment Breakdown Coverage; and
 - (2) Direct Coverages Deductibles apply to all remaining loss, damage or expense covered by

this Equipment Breakdown Coverage.

EXAMPLE

An “accident” results in covered losses as follows:

\$100,000 Total Loss (all applicable coverages)

\$ 35,000 Business Income Loss (including \$2,000 of business income loss payable under Data Restoration coverage)

\$ 5,000 Extra Expense Loss

In this case, the Indirect coverages loss totals \$40,000 before application of the Indirect Coverage Deductible. The Direct coverages loss totals the remaining \$60,000 before application of the Direct Coverage Deductible.

3. Application of Deductibles

a. Dollar Deductibles

We will not pay for loss, damage or expense resulting from any “one accident” until the amount of loss, damage or expense exceeds the applicable deductible or deductibles shown in the Declarations. We will then pay the amount of loss, damage or expense in excess of the applicable deductible or deductibles, subject to the applicable limits shown in the Declarations.

b. Time Deductibles

If a time deductible is shown in the Declarations, we will not be liable for any loss occurring during the specified number of hours or days immediately following the “accident.” If a time deductible is expressed in days, each day shall mean twenty-four consecutive hours.

c. Multiple of Average Daily Value (ADV) Deductibles

If a deductible is expressed as a number times ADV, that amount will be calculated as follows:

The ADV (Average Daily Value) will be the “business income” that would have been earned during the period of interruption had no “accident” occurred, divided by the number of working days in that period. The ADV applies to the “business income” value of the entire

location, whether or not the loss affects the entire location. If more than one location is included in the valuation of the loss, the ADV will be the combined value of all affected locations. For purposes of this calculation, the period of interruption may not extend beyond the "period of restoration."

The number indicated in the Declarations will be multiplied by the ADV as determined above. The result will be used as the applicable deductible.

EXAMPLE

Business is interrupted, partially or completely, for 10 working days. If there had been no "accident," the total "business income" at the affected location for those 10 working days would have been \$5,000. The Indirect Coverages Deductible is 3 Times ADV.

$\$5,000 / 10 = \500 ADV

$3 \times \$500 = \$1,500 \text{ Indirect Coverages Deductible}$

d. Percentage of Loss Deductibles

If a deductible is expressed as a percentage of loss, we will not be liable for the indicated percentage of the gross amount of loss, damage or expense (prior to any applicable deductible or coinsurance) insured under the applicable coverage. If the dollar amount of such percentage is less than the indicated Minimum Deductible, the Minimum Deductible will be the applicable deductible.

E. LOSS CONDITIONS

The following conditions apply:

1. Abandonment

There can be no abandonment of any property to us.

2. Brands and Labels

a. If branded or labeled merchandise that is "covered property" is damaged by an "accident," but retains a salvage value, you may:

- (1) Stamp the word SALVAGE on the merchandise or its containers if the stamp will not physically damage the merchandise; or
- (2) Remove the brands or labels, if doing so will not physically

damage the merchandise. You must re-label the merchandise or its containers to comply with the law.

- b. We will pay for any reduction in value of the salvage merchandise resulting from either of the two actions listed in 2.a. above, subject to all applicable limits.
- c. We will also pay the reasonable and necessary expenses you incur to perform either of the two actions described in 2.a. above. We will pay for such expenses to the extent that they do not exceed the amount recoverable from salvage.
- d. If a Brands and Labels Limit is shown on the Declarations, we will not pay more than the indicated amount for coverage under this Condition.

3. Coinsurance - Business Income Coverage

a. Unless otherwise shown in the Declarations, Business Income coverage is subject to coinsurance. This means that we will not pay the full amount of any "business income" loss if the "business income actual annual value" is greater than the "business income estimated annual value" at the affected location at the time of the "accident." Instead, we will determine the most we will pay using the following steps:

- (1) Divide the "business income estimated annual value" by the "business income actual annual value" at the time of the "accident";
- (2) Multiply the total amount of the covered loss of "business income" by the amount determined in paragraph (1) above;
- (3) Subtract the applicable deductible from the amount determined in paragraph (2) above;

The resulting amount, or the Business Income Limit, whichever is less, is the most we will pay. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

- b. Coinsurance applies separately to each insured location.
- c. If you report a single “business income estimated annual value” for more than one location, without providing information on how that amount should be distributed among the locations, we will distribute the amount evenly among all applicable locations.

EXAMPLE 1 (Underinsurance)

When:

The “business income actual annual value” at the location of loss at the time of the “accident” is \$200,000.

The “business income estimated annual value” shown in the Declarations for the location of loss is \$100,000.

The actual loss of “business income” resulting from the “accident” is \$40,000.

The Business Income limit is \$100,000.

The Business Income deductible is \$5,000.

Step 1: $\$100,000 / \$200,000 = .5$

Step 2: $\$40,000 \times .5 = \$20,000$

Step 3: $\$20,000 - \$5,000 = \$15,000$

The total “business income” loss recovery, after deductible, would be \$15,000. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

We will also charge you an additional premium in recognition of the “business income actual annual value.”

EXAMPLE 2 (Adequate insurance)

When:

The “business income actual annual value” at the location of loss at the time of the “accident” is \$200,000.

The “business income estimated annual value” shown in the Declarations for the location of loss is \$200,000.

The actual loss of “business income” resulting from the “accident” is \$40,000.

The Business Income limit is \$100,000.

The Business Income deductible is \$5,000.

Step 1: $\$200,000 / \$200,000 = 1$

Step 2: $\$40,000 \times 1 = \$40,000$

Step 3: $\$40,000 - \$5,000 = \$35,000$

The total “business income” loss recovery, after deductible, would be \$35,000.

4. Coinsurance – Coverages other than Business Income

Coverages other than Business Income may be subject to coinsurance if so indicated in the Declarations. If a Coinsurance percentage is shown in the Declarations, the following condition applies.

- a. We will not pay the full amount of any loss if the value of the property subject to the coverage at the time of the “accident” times the Coinsurance percentage shown for it in the Declarations is greater than the applicable limit.

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

- (1) Multiply the value of the property subject to the coverage at the time of the “accident” by the Coinsurance percentage;
- (2) Divide the applicable limit by the amount determined in step (1);
- (3) Multiply the total amount of loss, before the application of any deductible, by the amount determined in step (2); and
- (4) Subtract the deductible from the amount determined in step (3).

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

- b. Coinsurance applies separately to each insured location.

EXAMPLE 1 (Underinsurance)

When:

The actual value of “perishable goods” at the location of loss at the time of the “accident” is \$200,000.

The Perishable Goods limit is \$100,000 @ 80% coinsurance.

The loss under Perishable Goods coverage resulting from the “accident” is \$60,000.

The Perishable Goods deductible is \$5,000.

Step 1: $\$200,000 \times 80\% = \$160,000$

Step 2: $\$100,000 / \$160,000 = .625$

Step 3: $\$60,000 \times .625 = \$37,500$

Step 4: $\$37,500 - \$5,000 = \$32,500$

The total Perishable Goods loss recovery, after deductible, would be \$32,500. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

EXAMPLE 2 (Adequate insurance)

When:

The actual value of “perishable goods” at the location of loss at the time of the “accident” is \$100,000.

The Perishable Goods limit is \$100,000 @ 80% coinsurance.

The loss under Perishable Goods coverage resulting from the “accident” is \$60,000.

The Perishable Goods deductible is \$5,000.

Step 1: $\$100,000 \times 80\% = \$80,000$

Step 2: $\$100,000 / \$80,000 = 1.25$

Coinsurance does not apply.

Step 3: $\$60,000 - \$5,000 = \$55,000$

The total Perishable Goods loss recovery, after deductible, would be \$55,000.

5. Defense

We have the right, but are not obligated, to defend you against suits arising from claims of owners of property in your care, custody or control. When we do this, it will be at our expense.

6. Duties in the Event of Loss or Damage

You must see that the following are done in the event of loss or damage:

- a. Give us a prompt notice of the loss or damage, including a description of the property involved.
- b. You must reduce your loss, damage or expense, if possible, by:
 - (1) Protecting property from further damage. We will not pay for your failure to protect property, as stated in Exclusion B.1.g.;
 - (2) Resuming business, partially or completely at the location of loss or at another location;
 - (3) Making up lost business within a reasonable amount of time. This includes working extra time or overtime at the location of loss or at another location. The reasonable amount of time does not necessarily end when the operations are resumed;
 - (4) Using merchandise or other property available to you;
 - (5) Using the property or services of others; and
 - (6) Salvaging the damaged property.

- c. Allow us a reasonable time and opportunity to examine the property and premises before repair or replacement is undertaken or physical evidence of the “accident” is removed. But you must take whatever measures are necessary for protection from further damage.
- d. Make no statement that will assume any obligation or admit any liability, for any loss, damage or expense for which we may be liable, without our consent.
- e. Promptly send us any legal papers or notices received concerning the loss, damage or expense.
- f. As often as may be reasonably required, permit us to inspect your property, premises and records. Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
- g. If requested, permit us to examine you and any of your agents, employees and representatives under oath. We may examine any insured under oath while not in the presence of any other insured. Such examination:
 - (1) May be at any time reasonably required;
 - (2) May be about any matter relating to this insurance, your loss, damage or expense, or your claim, including, but not limited to, your books and records; and
 - (3) May be recorded by us by any methods we choose.
- h. Send us a signed, sworn proof of loss containing the information we request. You must do this within 60 days after our request.
- i. Cooperate with us in the investigation and settlement of the claim.

7. Errors and Omissions

- a. We will pay your loss covered by this Equipment Breakdown coverage if such loss is otherwise not payable solely because of any of the following:
 - (1) Any error or unintentional omission in the description or location of property as insured

- under this policy;
- (2) Any failure through error to include any premises owned or occupied by you at the inception of this policy; or
- (3) Any error or unintentional omission by you that results in cancellation of any premises insured under this policy.
- b. No coverage is provided as a result of any error or unintentional omission by you in the reporting of values or the coverage you requested.
- c. It is a condition of this coverage that such errors or unintentional omissions shall be reported and corrected when discovered. The policy premium will be adjusted accordingly to reflect the date the premises should have been added had no error or omission occurred.
- d. If an Errors and Omissions Limit is shown on the Declarations, we will not pay more than the indicated amount for coverage under this Condition.

8. Proving Your Loss

It is your responsibility, at your own expense, to provide documentation to us:

- a. Demonstrating that the loss, damage or expense is the result of an "accident" covered under this Equipment Breakdown Coverage; and
- b. Calculating the dollar amount of the loss, damage and expense that your claim is covered.

Your responsibility in 8.a. above is without regard to whether or not the possible "accident" occurred at your premises or involved your equipment.

9. Salvage and Recoveries

When, in connection with any loss under this Equipment Breakdown Coverage, any salvage or recovery is received after the payment for such loss, the amount of the loss shall be refigured on the basis on which it would have been settled had the amount of salvage or recovery been known at the time the loss was originally determined. Any amounts thus found to be due either party from the other shall be paid promptly.

10. Valuation

We will determine the value of "covered

property" as follows:

- a. Except as specified otherwise, our payment for damaged "covered property" will be the smallest of:
 - (1) The cost to repair the damaged property;
 - (2) The cost to replace the damaged property on the same site; or
 - (3) The amount you actually spend that is necessary to repair or replace the damaged property.
- b. The amount of our payment will be based on the most cost-effective means to replace the function, capacity and remaining useful life of the damaged property. This may include the use of generic, used or reconditioned parts, equipment or property.
- c. Except as described in d. below, you must pay the extra cost of replacing damaged property with property of a better kind or quality or of a different size or capacity.
- d. Environmental, Safety and Efficiency Improvements

If "covered equipment" requires replacement due to an "accident," we will pay your additional cost to replace with equipment that we agree is better for the environment, safer for people or more energy efficient than the equipment being replaced, subject to the following conditions:

 - (1) We will not pay more than 150% of what the cost would have been to replace with like kind and quality;
 - (2) We will not pay to increase the size or capacity of the equipment;
 - (3) This provision only applies to Property Damage coverage;
 - (4) This provision does not increase any of the applicable limits;
 - (5) This provision does not apply to any property valued on an Actual Cash Value basis; and
 - (6) This provision does not apply to the replacement of component parts.
- e. The following property will be valued on

an Actual Cash Value basis:

- (1) Any property that does not currently serve a useful or necessary function for you;
- (2) Any "covered property" that you do not repair or replace within 24 months after the date of the "accident"; and
- (3) Any "covered property" for which Actual Cash Value coverage is specified in the Declarations.

Actual Cash Value includes deductions for depreciation.

- f. If any one of the following conditions is met, property held for sale by you will be valued at the sales price as if no loss or damage had occurred, less any discounts and expenses that otherwise would have applied:
 - (1) The property was manufactured by you;
 - (2) The sales price of the property is less than the replacement cost of the property; or
 - (3) You are unable to replace the property before its anticipated sale.
- g. Except as specifically provided for under Data Restoration coverage, "data" and "media" will be valued on the following basis:
 - (1) For mass-produced and commercially available software, at the replacement cost.
 - (2) For all other "data" and "media," at the cost of blank "media" for reproducing the records. We will not pay for "data" representing financial records based on the face value of such records.
- h. Air conditioning or refrigeration equipment that utilizes a refrigerant containing CFC (chlorofluorocarbon) substances will be valued at the cost to do the least expensive of the following:
 - (1) Repair or replace the damaged property and replace any lost CFC refrigerant;
 - (2) Repair the damaged property, retrofit the system to accept a non-CFC refrigerant and charge the system with a non-CFC

refrigerant; or

- (3) Replace the system with one using a non-CFC refrigerant.

In determining the least expensive option, we will include any associated Business Income or Extra Expense loss. If option (2) or (3) is more expensive than (1), but you wish to retrofit or replace anyway, we will consider this better for the environment and therefore eligible for valuation under paragraph d., Environmental, Safety and Efficiency Improvements. In such case, E.10.d.(1) is amended to read: "We will not pay more than 125% of what the cost would have been to repair or replace with like kind and quality."

F. ADDITIONAL CONDITIONS

The following conditions apply in addition to the Loss Conditions:

1. Additional Insured

If a person or organization is designated in this Equipment Breakdown Coverage as an additional insured, we will consider them to be an insured under this Equipment Breakdown Coverage only to the extent of their interest in the "covered property."

2. Bankruptcy

The bankruptcy or insolvency of you or your estate will not relieve you or us of any obligation under this Equipment Breakdown Coverage.

3. Cancellation

- a. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
- b. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
- c. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
- d. Notice of cancellation will state the

effective date of cancellation. The policy period will end on that date.

- e. If this policy is canceled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
- f. If notice is mailed, proof of mailing will be sufficient proof of notice.

4. Changes

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

5. Concealment, Misrepresentation or Fraud

We will not pay for any loss and coverage will be void if you or any additional insured at any time:

- a. Intentionally cause or allow loss, damage or expense in order to collect on insurance; or
- b. Intentionally conceal or misrepresent a material fact concerning:
 - (1) This Equipment Breakdown Coverage;
 - (2) The "covered property";
 - (3) Your interest in the "covered property"; or
 - (4) A claim under this Equipment Breakdown Coverage.

6. Examination of Your Books and Records

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

7. Inspections and Surveys

- a. We have the right to:
 - (1) Make inspections and surveys at any time;
 - (2) Give you reports on the conditions we find; and

- (3) Recommend changes.

- b. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

- (1) Are safe or healthful; or
- (2) Comply with laws, regulations, codes or standards.
- c. Paragraphs a. and b. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

8. Jurisdictional Inspections

It is your responsibility to comply with any state or municipal boiler and pressure vessel regulations.

9. Legal Action Against Us

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

- a. There has been full compliance with all the terms of this Equipment Breakdown Coverage; and
- b. The action is brought within two years after the date of the "accident" or
- c. We agree in writing that you have an obligation to pay for damage to "covered property" of others or until the amount of that obligation has been determined by final judgment or arbitration award. No one has the right under this policy to bring us into an action to determine your liability.

10. Loss Payable

- a. We will pay you and the loss payee shown in the Declarations for loss covered by this Equipment Breakdown Coverage, as interests may appear. The insurance covers the interest of the loss payee unless the loss results from conversion, secretion or

embezzlement on your part or on the part of the loss payee.

- b. We may cancel the policy as allowed by the Cancellation Condition. Cancellation ends this agreement as to the loss payee's interest. If we cancel, we will mail you and the loss payee the same advance notice.
- c. If we make any payment to the loss payee, we will obtain their rights against any other party.

11. Maintaining Your Property and Equipment

It is your responsibility to appropriately maintain your property and equipment. We will not pay your costs to maintain, operate, protect or enhance your property or equipment, even if such costs are to comply with our recommendations or prevent loss, damage or expense that would be covered under this policy.

12. Mortgage Holders

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

- (3) Has notified us of any change in ownership or material change in risk known to the mortgage holder; and
- (4) Has complied with all other terms and conditions of this Policy.

All of the terms of this Equipment Breakdown Coverage will then apply directly to the mortgage holder.

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

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

- f. If we cancel this policy, we will give written notice to the mortgage holder at least:
 - (1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
- g. If we elect not to renew this policy, we will give written notice to the mortgage holder at least 10 days before the expiration date of this policy.
- h. If we suspend coverage, it will also be suspended as respects the mortgage holder. We will give written notice of the suspension to the mortgage holder.

13. Other Insurance

If there is other insurance that applies to the same loss, damage or expense, this Equipment Breakdown Coverage shall apply only as excess insurance after all other applicable insurance has been

exhausted.

14. Policy Period, Policy Territory

Under this Equipment Breakdown Coverage:

- a. The "accident" must occur during the Policy Period, but expiration of the policy does not limit our liability.
- b. The "accident" must occur within the following Policy Territory:
 - (1) The United States of America (excluding all territories and possessions, foreign locations and Canada);
- c. With respect to Off Premises Property Damage coverage only, the "accident" may occur in any country except one in which the United States has imposed sanctions, embargoes or similar restrictions on the provision of insurance.

15. Premiums

The first Named Insured shown in the Declarations:

- a. Is responsible for the payment of all premiums; and
- b. Will be the payee for any return premiums we pay.

16. Privilege to Adjust with Owner

In the event of loss, damage or expense involving property of others in your care, custody or control, we have the right to settle the loss, damage or expense with respect to such property with the owner of the property. Settlement with owners of that property will satisfy any claim of yours.

17. Suspension

Whenever "covered equipment" is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an "accident" to that "covered equipment." This can be done by delivering or mailing a written notice of suspension to:

- a. Your last known address; or
- b. The address where the "covered equipment" is located.

Once suspended in this way, your insurance can be reinstated only by an endorsement for that "covered equipment." If we suspend your insurance, you will get a pro rata refund of premium for that "covered

equipment" for the period of suspension. But the suspension will be effective even if we have not yet made or offered a refund.

18. Transfer of Your Rights and Duties Under This Policy

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

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

19. Transfer of Rights of Recovery Against Others to Us

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

- a. Prior to an "accident."
- b. After an "accident" only if, at time of the "accident," that party is one of the following:
 - (1) Someone insured by this Policy; or
 - (2) A business firm:
 - (a) Owned or controlled by you; or
 - (b) That owns or controls you.

G. DEFINITIONS

1. "Accident"

- a. "Accident" is defined in A.1.a.
- b. None of the following is an "accident," however caused and without regard to whether such condition or event is normal and expected or unusual and unexpected:
 - (1) Depletion, deterioration, rust, corrosion, erosion, settling or wear and tear;
 - (2) Any gradually developing

- condition;
- (3) Any defect, programming error, programming limitation, computer virus, malicious code, loss of "data," loss of access, loss of use, loss of functionality or other condition within or involving "data" or "media" of any kind;
 - (4) Contamination by a "hazardous substance"; or
 - (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.
2. **"Anchor Location"** means a location, operated by others, upon which you depend to attract customers to your location. An "anchor location" must have been open for business for at least six months prior to the "accident," and must be located within one mile of your location.
3. **"Boilers and Vessels"** means:
- a. Boilers;
 - b. Steam piping;
 - c. Piping that is part of a closed loop used to conduct heat from a boiler;
 - d. Condensate tanks; and
 - e. Unfired vessels which, during normal usage, operate under vacuum or pressure, other than the weight of contents.
- This term does not appear elsewhere in this coverage form, but may appear in the Declarations.
4. **"Building Utilities"** means "covered equipment" permanently mounted on or in a building and used to provide any of the following services within the building: heating, ventilating, air conditioning, electrical power, hot water, elevator or escalator services, natural gas service or communications. "Building utilities" does not include personal property or equipment used in manufacturing or processing.
5. **"Buried Vessels or Piping"** means any piping or vessel buried or encased in the earth, concrete or other material, whether above or below grade, or in an enclosure which does not allow access for inspection and repair.

6. **"Business Income"** means the sum of:
- a. The Net Income (net profit or loss before income taxes) that would have been earned or incurred; and
 - b. Continuing normal and necessary operating expenses incurred, including employee payroll.

7. **"Business Income Actual Annual Value"** means the "business income" for the current fiscal year that would have been earned had no "accident" occurred.

In calculating the "business income actual annual value," we will take into account the actual experience of your business before the "accident" and the probable experience you would have had without the "accident."

8. **"Business Income Estimated Annual Value"** means the anticipated "business income" reported to us and shown in the Declarations. If no value is shown in the Declarations, the "business income estimated annual value" will be the most recent report of anticipated "business income" values on file with us.

9. **"Covered Equipment"**

- a. "Covered Equipment" is defined in A.1.b.
- b. None of the following is "covered equipment":
 - (1) Structure, including but not limited to the structural portions of buildings and towers, and scaffolding;
 - (2) Foundation;
 - (3) Cabinet, compartment, conduit or ductwork;
 - (4) Insulating or refractory material;
 - (5) "Buried vessels or piping";
 - (6) Waste, drainage or sewer piping;
 - (7) Piping, valves or fittings forming a part of a sprinkler or fire suppression system;
 - (8) Water piping that is not part of a closed loop used to conduct heat or cooling from a boiler or a refrigeration or air conditioning system;
 - (9) "Vehicle" or any equipment mounted on a "vehicle";
 - (10) Satellite, spacecraft or any equipment mounted on a satellite or

- spacecraft;
- (11) Dragline, excavation or construction equipment;
- (12) Equipment manufactured by you for sale; or
- (13) "Data."

10. "Covered Property"

- a. "Covered Property" means property that you own or property that is in your care, custody or control and for which you are legally liable. Such property must be at a location described in the Declarations except as provided under Off Premises Property Damage coverage.
- b. None of the following is "covered property":
 - (1) Accounts, bills, currency, deeds or other evidences of debt, money, notes or securities;
 - (2) Fine arts, jewelry, furs or precious stones;
 - (3) Precious metal, unless forming a part of "covered equipment";
 - (4) Animals;
 - (5) Contraband, or property in the course of illegal transportation or trade;
 - (6) Land (including land on which the property is located), water, trees, growing crops or lawns; or
 - (7) Shrubs or plants, unless held indoors for retail sale.

11. "Data" means information or instructions stored in digital code capable of being processed by machinery.

12. "Electrical Generating Equipment"

- a. "Electrical Generating Equipment" means equipment which converts any other form of energy into electricity. This includes, but is not limited to, the following:
 - (1) Boilers used primarily to provide steam for one or more turbine-generator units;
 - (2) Turbine-generators (including steam, gas, water or wind turbines);
 - (3) Engine-generators;
 - (4) Fuel cells or other alternative electrical generating equipment;

- (5) Electrical transformers, switchgear and power lines used to convey the generated electricity; and
- (6) Associated equipment necessary for the operation of any of the equipment listed in (1) through (5) above.

- b. "Electrical Generating Equipment" does not mean:
 - (1) Elevator or hoist motors that generate electricity when releasing cable; or
 - (2) Equipment intended to generate electricity solely on an emergency, back-up basis.

This term does not appear elsewhere in this coverage form, but may appear in the Declarations.

13. "Extra Expense" means the additional cost you incur to operate your business over and above the cost that you normally would have incurred to operate your business during the same period had no "accident" occurred.

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

15. "Interruption of Service"

- a. "Interruption of Service" means a failure or disruption of the normal supply of any of the Covered Services listed in b. below, when such failure or disruption is caused by an "accident" to "covered equipment," subject to the conditions listed in c. through f. below.
- b. Covered Services are electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, wide area networks and data transmission.
- c. The "covered equipment" must either be:
 - (1) Owned by a company with whom you have a contract to supply you with one of the Covered Services; or
 - (2) Used to supply you with one of the Covered Services and located within one mile of a location

- described in the Declarations.
- d. If a Service Interruption Distance Limitation is indicated in the Declarations, the “covered equipment” suffering the “accident” must be located within the indicated distance of any location described in the Declarations.
 - e. Unless otherwise shown in the Declarations, no failure or disruption of service will be considered to qualify as an “interruption of service” until the failure or disruption exceeds 24 hours immediately following the “accident.”
 - f. “Interruption of service” does not include any failure or disruption, whether or not arising from or involving an “accident,” in which a supplier could have continued to provide service to the location but chose for any reason to reduce or discontinue service.
- 16. “Interruption of Supply”**
- a. “Interruption of Supply” means a failure or disruption of the normal supply of any of the Covered Contingencies listed below, when such failure or disruption is caused by an “accident” to “covered equipment” that is located at a Contingent Business Income supplier or receiver location indicated in the Declarations. If no Contingent Business Income supplier or receiver location is indicated in the Declarations, the “covered equipment” must be owned by a supplier from whom you have received the Covered Contingency for at least six months prior to the “accident” or a receiver to whom you have supplied the Covered Contingency for at least six months prior to the “accident.”
 - b. Covered Contingencies are raw materials, intermediate products, finished products, packaging materials and product processing services.
- 17. “Media”** means material on which “data” is recorded, such as magnetic tapes, hard disks, optical disks or floppy disks.
- 18. “One Accident”** means all “accidents” occurring at the same time from the same event. If an “accident” causes other “accidents,” all will be considered “one accident.”
- 19. “Ordinary Payroll”** means the Payroll Expenses associated with all employees other than executives, department managers and employees under contract. As used above, Payroll Expenses means all payroll, employee benefits directly related to payroll, FICA payments you pay, union dues you pay and workers compensation premiums. “Ordinary payroll” does not include pensions or directors fees. This term does not appear elsewhere in this coverage form, but may appear in the Declarations.
- 20. “Period of Restoration”** means the period of time that begins at the time of the “accident” and continues until the earlier of:
- a. The date the physical damage to “covered equipment” is repaired or replaced; or
 - b. The date on which such damage could have been repaired or replaced with the exercise of due diligence and dispatch,
- plus the number of days, if any, shown in the Declarations for Extended Period of Restoration.
- As respects Civil Authority coverage only, “period of restoration” means the period of time that begins as of the time access is prohibited by action of the civil authority and continues until the earlier of:
- (a) 21 days thereafter; or
 - (b) The date access is restored.
- 21. “Perishable Goods”** means any “covered property” subject to deterioration or impairment as a result of a change of conditions, including but not limited to temperature, humidity or pressure.
- 22. “Production Machinery”** means any machine or apparatus that processes or produces a product intended for eventual sale. This includes all component parts of such machine or apparatus and any other equipment used exclusively with such machine or apparatus. However, “production machinery” does not mean any boiler, or fired or unfired pressure vessel. This term does not appear elsewhere in this coverage form, but may appear in the Declarations.
- 23. “Spoilage”** means any detrimental change

in state. This includes but is not limited to thawing of frozen goods, warming of refrigerated goods, freezing of fresh goods, solidification of liquid or molten material and chemical reactions to material in process.

- 24. "Vehicle"** means any machine or apparatus that is used for transportation or moves under its own power. "Vehicle" includes, but is not limited to, car, truck, bus, trailer, train, aircraft, watercraft, forklift, bulldozer, tractor or harvester.

However, any property that is stationary, permanently installed at a covered location and that receives electrical power from an external power source will not be considered a "vehicle."

Equipment Breakdown - Sublimits, Deductibles

Named Insured:
Marsh Pointe Condominium & Homeowners Association, Inc

Policy Number: AOP-240478
AQS-241444
MDM-241444
HVR-241444
RNR-241444
HAQS-241444
BMX-241444
VAS-241444
SCO0010892
STY-241444
PCOR-241444
MSRU004423-00

Effective Date: 6/28/2024

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the:

Equipment Breakdown Coverage Form

These coverages apply to any location listed on the Schedule of Locations for Equipment Breakdown

Coverages	Limits
Equipment Breakdown Limit	\$ 11,129,496
Property Damage	\$ 11,129,496
Off Premises Property Damage	\$ 250,000
Business Income	\$ 196,000
Extra Expense	\$ No Coverage
Service Interruption	\$ 250,000
Contingent Business Income	\$ No Coverage
Perishable Goods	\$ 100,000
Data Restoration	\$ 100,000
Demolition	\$ 250,000
Ordinance or Law	\$ 250,000
Expediting Expense	\$ 100,000
Hazardous Substances	\$ 100,000
Newly Acquired Locations	\$ 250,000

Deductibles
Combined, All Coverages \$ 5,000

Other Conditions
Extended Period of Restoration: 0 days

Unless the interruption exceeds 72 hours we will not pay for any loss under Service Interruption or the Service Interruption component of Perishable Goods

Protective Safeguards Endorsement

SCHEDULE	
Symbol(s) OTHER	Location(s) Applicable ALL
Describe any "OTHER":	(a) Heating, Ventilation, and Air Conditioning – (i) unit(s) serviced annually, (ii) in operation or running at all times, and (iii) constant minimum temperature of 55 degrees (b) any aluminum wiring in buildings are properly pigtailed or retrofitted with CO/AL receptacles on all switches, outlets and circuit breaker panels and in accordance with local electrical codes.

Protective Safeguards

- A. As a condition of this insurance, as listed in the Schedule above, the Insured shall exercise due diligence in maintaining in complete working order all equipment and services pertaining to the system which are under the control of the Named Insured, including maintenance and service requirements.

The protective safeguard(s) to which this endorsement applies are identified by the following symbols:

1. **"AS" Automatic Sprinkler System**, including related supervisory services.

Automatic Sprinkler System means:

- a. Any automatic fire protective or extinguishing system, including connected:

- (1) Sprinklers and discharge nozzles;
- (2) Ducts, pipes, valves and fittings;
- (3) Tanks, their component parts and supports; and
- (4) Pumps and private fire protection mains.

- b. When supplied from an automatic fire protective system:

- (1) Non-automatic fire protective systems; and
- (2) Hydrants, standpipes and outlets.

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

2. **"AA" Automatic Fire Alarm**

Means an automatic fire alarm protecting the entire building that is:

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

3. **"SS" Security Service**,

Means a security service with a recording system or watch clock, making hourly rounds covering the entire building, when the premises are not in actual operation.

4. **"SC" Service Contract**

Means a written contract with a privately owned fire department providing fire protection service to the described premises.

5. **"CS" means Central Station Burglar Alarm**

Central Station Burglar Alarm means a central station burglar alarm that is protecting all entryways and windows that is:

- a. Activated and operational
- b. Reporting to a public or private burglar alarm station; and
- c. In the "on" position during all non-working hours or when the insured premises are unoccupied.

6. "CC" means Automatic Commercial Cooking Exhaust And Extinguishing System

Automatic Commercial Cooking Exhaust And Extinguishing System means automatic commercial cooking exhaust and extinguishing system installed on cooking appliances having the following components:

- a. Hood;
- b. Grease removal device;
- c. Duct system; and
- d. Wet or dry chemical fire extinguishing equipment

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

7. "OTHER"

Means the protective system described in the Schedule.

B. The following is added to the **EXCLUSIONS** section of the policy referenced above:

We will not pay for loss or damage caused by or resulting from a Covered Cause of Loss if, prior to the Covered Cause of Loss, you failed to maintain any protective safeguard listed in the Schedule above, and over which you had control, in complete working order.

It is also a condition of this Policy that the Insured shall give immediate notice to the Insurer(s) and/or Company(s) of any impairment in or suspension of any equipment or service pertaining to the system within the knowledge of the Named Insured.

All other terms and conditions, insured coverage and exclusions of this insurance Policy remain unchanged, including applicable limits, sublimits and deductibles, and apply in full force and effect to the coverage provided by this Policy.

Time Element, Business Income, Extra Expense And Rental Value Options

If indicated by an , the policy is changed as follows:

1. **Maximum Period Of Indemnity**

- a. Coinsurance does not apply to this section.
- b. The most we will pay for the total of Business Income loss and Extra Expense is the lesser of:
 - (1) The amount of loss sustained and expenses incurred during the _____ days immediately following the beginning of the "period of restoration"; or
 - (2) The Limit of Insurance shown in the Declarations.

2. **Monthly Limit Of Indemnity**

- a. Coinsurance does not apply to this section.
- b. The most we will pay for loss of Business Income in each period of 30 consecutive days after the beginning of the "period of restoration" is:
 - (1) The Business Income listed in the most recent Schedule of Values on file with us; multiplied by
 - (2) The fraction shown below
 - (3) Period of Indemnity fraction is: 1/12

3. **Business Income Agreed Value**

- a. To activate this Optional Coverage:
 - (1) A Business Income Report/Work Sheet must be submitted to us and must show financial data for your "operations":
 - a) During the 12 months prior to the date of the Work Sheet; and
 - b) Estimated for the 12 months immediately following the inception of this Optional Coverage.
 - (2) This option's check box must be checked and a limit shown in the Declarations as Agreed Value. The Agreed Value should be at least equal to:
 - a) The Coinsurance percentage shown below multiplied by
 - b) The amount of Net Income and operating expenses for the following 12 months you report on the Work Sheet.
 - c) Coinsurance percentage
- b. Coinsurance, is suspended until:
 - (1) 12 months after the effective date of this Optional Coverage; or
 - (2) The expiration date of this policy; whichever occurs first.
- c. We will reinstate Coinsurance, automatically if you do not submit a new Work Sheet and Agreed Value:
 - (1) Within 12 months of the effective date of this Optional Coverage; or
 - (2) When you request a change in your Business Income.
- d. If the Business Income is less than the Agreed Value, we will not pay more of any loss than the amount of loss multiplied by:
 - (1) The Business Income listed in the most recent Schedule of Values on file with us; divided by

(2) The Agreed Value.

4. **Extended Period Of Indemnity**

The Period of Restoration is changed as follows:

a. Business Income Other Than "Rental Value"

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

(1) Begins on the date property (except "finished stock") is actually repaired, rebuilt or replaced and "operations" are resumed; and

(2) Ends on the earlier of:

a) The date you could restore your "operations", with reasonable speed, to the level which would generate the Business Income amount that would have existed if no direct physical loss or damage had occurred; or

b) consecutive days after the date determined in (a)(1) above.

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

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

b. "Rental Value"

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

(1) Begins on the date property is actually repaired, rebuilt or replaced and tenantability is restored; and

(2) Ends on the earlier of:

a) The date you could restore tenant occupancy, with reasonable speed, to the level which would generate the "Rental Value" that would have existed if no direct physical loss or damage had occurred; or

b) consecutive days after the date determined in (b)(1) above.

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

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

Condominium Association Changes – Additional Covered Property

This endorsement modifies insurance provided under the:

AMWINS PROPERTY FORM

Property Damage Coverage, Section **A. Coverage**, Paragraph **1.a. Covered Property** is replaced by the following:

- a. Building, meaning a building or structure at an “insured location”, including:
 - (1) Completed additions;
 - (2) Fixtures, including outdoor fixtures, improvements and alterations that are a part of the building or structure;
 - (3) Permanently installed:
 - a. Machinery and
 - b. Equipment;
 - (4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
 - a. Fire extinguishing equipment;
 - b. Outdoor furniture;
 - c. Floor coverings; and
 - d. Appliances, such as those used for refrigerating, ventilating, cooking, dishwashing, laundering, security or housekeeping;
 - (5) If not covered by other insurance:
 - a. Additions under construction, alterations and repairs to the building or structure;
 - b. Materials, equipment, supplies and temporary structures, on or within 100 feet of an “insured location”, used for making additions, alterations or repairs to the building or structure.
 - (6) Fixtures, installations or permanent additions, owned by unit owners and located inside individual units:
 - a. Initially installed in accordance with the original plans and specifications, or replacements of like kind or quality as those initially installed; or
 - b. As existed at the time the unit was initially conveyed, if the original plans and specifications are not available.

All other terms, conditions, provisions and exclusions of this policy remain the same.

Water Back-Up And Sump Overflow – Aggregate Limit

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the:

AmWINS PROPERTY FORM

SCHEDULE	
Premises Number	Limit Of Insurance
Per the Schedule of Values on file with the Company	\$ 100,000 Per Occurrence
	\$ 100,000 Aggregate Limit

A. We will pay for direct physical loss or damage to Covered Property covered under Section **A. Coverage**, paragraph **1. Covered Property**, caused by or resulting from:

1. Water or waterborne material which backs up through or overflows or is otherwise discharged from a sewer or drain; or
2. Water or waterborne material which overflows or is otherwise discharged from a sump, sump pump or related equipment, even if the overflow or discharge results from mechanical breakdown of a sump pump or its related equipment.

However, we will not pay the cost of repairing or replacing a sump pump or its related equipment in the event of mechanical breakdown.

B. The coverage described in Paragraph **A. Coverage**, of this endorsement does not apply to loss or damage resulting from an insured's failure to:

1. Keep a sump pump or its related equipment in proper working condition; or
2. Perform the routine maintenance or repair necessary to keep a sewer or drain free from obstructions.

C. With respect to the coverage provided under this endorsement, the **Flood Exclusion** is replaced by the following:

g. Flood

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

This exclusion applies regardless of whether any of the above, in Paragraphs (1) through (4), is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where

a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs (1) through (4), results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage (if sprinkler leakage is a Covered Cause of Loss).

D. Limit of Liability

The most we will pay for loss or damage in any one occurrence is \$see above unless a higher limit is shown in the Schedule.

Regardless of the number of occurrences or locations, the most that we will pay for all loss or damage from water back-up or sump overflow in the policy period is \$see above unless a higher Aggregate limit is shown in the Schedule

All other terms, conditions, provisions and exclusions of this policy remain the same.

Additional Coverage Endorsement - Wind Driven Precipitation

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the:

AmWINS PROPERTY FORM

A. The following is added to section E. Limit of Liability:

Sublimit:

The sublimit for Wind Driven Precipitation is included within the Limit of Liability shown in the Declarations as applicable to the covered Building Property. This sublimit does not increase the Limit of Liability.

Sublimit: \$ 500,000 per occurrence and in the annual aggregate

B. Changes to the Covered Cause of Loss And Exclusions Section

1. The following is added to Paragraph A. Covered Cause of Loss:

The term Covered Cause of Loss includes the Additional Coverage – Wind Driven Precipitation as described below:

We will pay for direct physical loss or damage to the interior of any building or structure, or to personal property in the building or structure caused by or resulting from rain, snow, sleet or ice, when driven by wind.

2. The following is added to section B. Exclusions:

We will not pay for loss or damage caused directly or indirectly by any of the following:

- a.** Sand or dust, unless the building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the sand or dust enters;
- b.** Thawing of snow, sleet or ice on the building or structure; or
- c.** Faulty, inadequate or defective:
 - (1)** Planning, zoning, development, surveying, siting;
 - (2)** Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (3)** Materials used in repair, construction, renovation or remodeling; or
 - (4)** Maintenance;of part or all of any property on or off the described premises.

3. Paragraph 1.c. in section C. Limitations is deleted.

All other terms, conditions, provisions and exclusions of this policy remain the same.

Pre-Existing Damage Exclusion Endorsement

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

It is understood and agreed that this policy shall exclude any loss or damage directly or indirectly caused by, resulting from or contributed to by any pre-existing building damage at the time of this Certificate's or this policy's inception. This exclusion shall be removed upon substantial completion of repair or reconstruction of the damaged building.

Sinkhole Loss Endorsement

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the:

AmWINS PROPERTY FORM

It is understood and agreed that this policy is extended to cover Sinkhole Loss, excluding locations in the entire State of Florida.

For locations in the State of Florida, the following is added as a Covered Cause Of Loss:

CATASTROPHIC GROUND COVER COLLAPSE

We will pay for direct physical loss or damage to Covered Property caused by or resulting from catastrophic ground cover collapse, meaning geological activity that results in all of the following:

- (a) The abrupt collapse of the ground cover;
- (b) A depression in the ground cover clearly visible to the naked eye;
- (c) Structural damage to the building, including the foundation; and
- (d) The insured structure being condemned and ordered to be vacated by the governmental agency authorized by law to issue such an order for that structure.

However, structural damage consisting merely of the settling or cracking of a foundation, structure or building does not constitute loss or damage resulting from a catastrophic ground cover collapse.

The Earth Movement exclusion and the Collapse exclusion do not apply to coverage for Catastrophic Ground Cover Collapse.

Coverage for Catastrophic Ground Cover Collapse does not increase the applicable Limit of Liability. Regardless of whether loss or damage attributable to catastrophic ground cover collapse also qualifies as Sinkhole Loss or Earthquake (if either or both of those causes of loss are covered under this Policy), only one Limit of Liability will apply to such loss or damage.

Sinkhole Loss is defined as:

1. As respects locations in all states, EXCEPT Florida:

Sinkhole Loss means: The sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This does not include:

- a. The cost of filling sinkholes; or
- b. Sinking or collapse of land into man-made underground cavities.

2. As respects locations in Florida:

a. **Sinkhole Loss**, means loss or damage to Covered Property when "structural damage" to the covered **Building**, including the foundation, is caused by settlement or systematic weakening of the earth supporting the covered **Building**, only if the settlement or systematic weakening results from contemporaneous movement or raveling of soils, sediments, or rock materials into subterranean voids created by the effect of water on a limestone or similar rock formation.

Coverage for Sinkhole Loss includes stabilization of the **Building** (including land stabilization) and repair to the foundation, provided such work is in accordance with the requirements of

Florida Insurance Law and in accordance with the recommendation of a professional engineer and with notice to the Insured. The professional engineer must be selected or approved by the Companies. However, until the Insured enters into a contract for performance of building stabilization or foundation repair in accordance with the recommendations of the professional engineer as set forth in a report from the Companies:

- 1) The Companies will not pay for underpinning or grouting or any other repair technique performed below the existing foundation of the **Building**; and
- 2) The Companies' payment for Sinkhole Loss to Covered Property may be limited to the Actual Cash Value of the loss to such property.

The Insured must enter into a contract for the performance of building stabilization and/or foundation repair in accordance with the aforementioned recommendations, within 90 days after the Companies notify the Insured that there is coverage for Sinkhole Loss. After the Insured has entered into such contract, the Companies will pay the amounts necessary to begin and perform such repairs as the work is performed and the expenses are incurred.

However, if the professional engineer determines, prior to the Insured entering into the aforementioned contract or prior to the start of repair work, that the repairs will exceed the applicable Limit of Insurance, the Companies must either complete the recommended repairs or pay that Limit of Insurance upon such determination. If the aforementioned determination is made during the course of repair work and the Companies have begun making payments for the work performed, the Companies must either complete the recommended repairs or pay only the remaining portion of the applicable Limit of Insurance upon such determination. The most the Companies will pay for the total of all Sinkhole Loss, including **Building** and land stabilization and foundation repair, is the applicable Limit of Insurance on the affected **Building**.

The stabilization and all other repairs to the Covered Property must be completed within 12 months after entering into the contract for the performance of these repairs, unless:

- 1) There is a mutual agreement between the Insured and the Companies;
- 2) The claim is involved with the neutral evaluation process;
- 3) The claim is in litigation; or
- 4) The claim is under appraisal or mediation.

b. Sinkhole Loss does not include:

- 1) Sinking or collapse of land into man-made underground cavities; or
- 2) Earthquake.

c. With respect to a claim for alleged Sinkhole Loss, the following provision is added:

Following receipt by the Companies of a report from a professional engineer or professional geologist on the cause of loss and recommendations for land stabilization and repair of property, or if the Companies deny the claim, the Companies will notify the Insured of his right to participate in a neutral evaluation program administered by the Florida Department of Financial Services (hereinafter referred to as the Department). For alleged Sinkhole Loss to commercial residential or farm residential properties, this program applies instead of any mediation procedure set forth elsewhere in this policy, but does not invalidate the Appraisal Condition.

Either party may file a request with the Department for neutral evaluation; the other party must comply with such request. The Companies will pay reasonable costs associated with the neutral evaluation, regardless of which party makes the request. But if a party chooses to hire a court reporter or stenographer to contemporaneously record and document the

neutral evaluation, that party must bear the costs of those services. The neutral evaluator will be selected from a list maintained by the Department. The recommendation of the neutral evaluator will not be binding on either party.

Participation in the neutral evaluation program does not change the Insured's right to file suit against the Companies, except that the time for filing suit is extended for a period of 60 days following the conclusion of the neutral evaluation process or five years, whichever is later.

d. Coverage for Sinkhole Loss does not increase the applicable Limit of Insurance. Even if loss or damage qualifies under, or includes, both Catastrophic Ground Cover Collapse (addressed elsewhere) and Sinkhole Loss, only one Limit of Insurance will apply to such loss or damage.

e. The following provision is added to the Duties In The Event Of Loss or Damage Condition:

A claim for Sinkhole Loss, including but not limited to initial, supplemental and reopened claims is barred unless notice of claim is provided to the Companies in accordance with the terms of this policy within two years after the Insured knew or reasonably should have known about the Sinkhole Loss.

The following definitions are added with respect to the coverage provided for Sinkhole loss:

1) "Structural damage" means a covered **Building**, regardless of the date of its construction, has experienced the following:

- a) Interior floor displacement or deflection in excess of acceptable variances as defined in ACI 117-90 or the Florida Building Code, which results in settlement related damage to the interior such that the interior **Building** structure or members become unfit for service or represent a safety hazard as defined within the Florida Building Code;
- b) Foundation displacement or deflection in excess of acceptable variances as defined in ACI 318-95 or the Florida Building Code, which results in settlement related damage to the "primary structural members" or "primary structural systems" and that prevents those members or systems from supporting the loads and forces they were designed to support to the extent that stresses in those "primary structural members" or "primary structural systems" exceed one and one-third the nominal strength allowed under the Florida Building Code for new buildings of similar structure, purpose, or location;
- c) Damage that results in listing, leaning, or buckling of the exterior load bearing walls or other vertical "primary structural members" to such an extent that a plumb line passing through the center of gravity does not fall inside the middle one-third of the base as defined within the Florida Building Code;
- d) Damage that results in the building, or any portion of the **Building** containing "primary structural members" or "primary structural systems", being significantly likely to imminently collapse because of the movement or instability of the ground within the influence zone of the supporting ground within the sheer plane necessary for the purpose of supporting such **Building** as defined within the Florida Building Code; or
- e) Damage occurring on or after October 15, 2005, that qualifies as substantial structural damage as defined in the Florida Building Code.

2) "Primary structural member" means a structural element designed to provide support and stability for the vertical or lateral loads of the overall structure.

3) "Primary structural system" means an assemblage of "primary structural members".

f. If the Companies deny the claim for Sinkhole Loss without performing testing under section 627.7072, Florida Statutes, the Insured may demand testing by communicating such demand to the Companies in writing within 60 days after the Insured receives the Companies' denial of the claim. The Insured is responsible for 50% of the testing costs, or \$2,500, whichever is less. If the Companies' professional engineer or geologist provides written certification, pursuant to section 627.7073, that there is sinkhole loss, the Companies will reimburse the Insured for the testing costs.

g. The Insured may not accept a rebate from any person performing repairs for Sinkhole Loss. If the Insured receives a rebate, coverage under this Policy is void and the Insured must refund the amount of the rebate to the Companies.

h. If the Companies deny the claim for Sinkhole Loss upon receipt of written certification from a professional engineer or geologist, pursuant to section 627.7073, that there is no Sinkhole loss or that the cause of the damage was not Sinkhole activity, and if the Sinkhole claim was submitted without good faith grounds for submitting such claim, the Insured shall reimburse the Companies for 50% of the actual costs of the analyses and services provided under sections 627.7072 and 627.7073, or \$2,500, whichever is less. The Insured is not required to pay such reimbursement unless the Insured requested the analysis and services and the Companies, before ordering the analysis, informed the Insured in writing of the potential for reimbursement and gave the Insured the opportunity to withdraw the claim.

i. As a precondition to accepting payment for Sinkhole loss, the Insured must file with the county clerk of court, a copy of any Sinkhole report regarding the property which was prepared on behalf or at the Insured's request. The Insured will bear the cost of filing and recording the sinkhole report.

POLICY TERRITORY LIMITATION REDEFINED

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the:

AMWINS PROPERTY FORM

AMWINS SPECIAL RISK UNDERWRITERS EXCESS PHYSICAL DAMAGE FORM

AMWINS SPECIAL RISK UNDERWRITERS PRIMARY CO-INSURING FORM

The following additional Condition is added to the policy to which this endorsement is attached and supersedes any provision to the contrary.

The Policy Territory Limitation as defined in the policy is deleted and replaced by the following:

The United States of America excluding all territories and possessions, foreign locations and Canada.

All Other Terms and Conditions of the policy remain unchanged.

NAMED STORM PERCENTAGE DEDUCTIBLE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the:

AMWINS PROPERTY FORM

“Named Storm” Percentage Deductible:	5% per Total Insurable Values per building reported on the Schedule of Values, subject to \$50,000 minimum per occurrence
All Other Wind & Hail Deductible:	\$25,000 Per Occurrence

The “Named Storm” Deductible, as shown above, applies to loss or damage to Covered Property caused directly or indirectly by a “Named Storm”, regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage. If loss or damage from a covered weather condition other than a “Named Storm” occurs, and that loss or damage would not have occurred but for the “Named Storm”, such loss or damage shall be considered to be caused by the “Named Storm” and therefore part of the “Named Storm” occurrence.

A “Named Storm” means including, but not be limited to, storm, cyclone, typhoon, atmospheric disturbance, depression or other weather phenomena designated by the US National Hurricane Center and where a name (and not only a number) has been applied.

If a windstorm is not declared to be a “Named Storm” and there is loss or damage to Covered Property, the All Other Wind & Hail Deductible listed above will apply.

Deductible Clause:

A deductible amount is calculated and applied based on the amount or percentage as shown above.

- A. If the deductible is on a per building basis, the deductible is applied to the sum of all values listed in the most recent Schedule of Values on file with us for Buildings, Business Personal Property, Business Income and any other values for which coverage is provided under this policy related to each separately identifiable structure affected by loss or damage.
- B. If the deductible is on a per Location basis, the deductible is applied to the sum of all values listed in the most recent Schedule of Values on file with us for Buildings, Business Personal Property, Business Income and any other values for which coverage is provided under this policy related to each separate Location affected by loss or damage.

NAMED STORM PERCENTAGE DEDUCTIBLE

- C. If the deductible is on a per unit of insurance basis, the deductible is applied separately to Buildings, Business Personal Property, Business Income and any other values for which coverage is provided under this policy related to each separately identifiable structure as listed in the most recent Schedule of Values on file with us.
- D. If the deductible is on a Total Insured Value basis, the deductible is applied to the sum of all values listed in the most recent Schedule of Values on file with us.

If this policy covers Time Element Coverage, the deductible shown above applies after the Time Element Deductible stated in F. Deductibles of SRU-003.

Application of Deductible:

EXAMPLE #1

APPLICATION OF DEDUCTIBLE ON A PER BUILDING BASIS

The amounts of loss to the damaged buildings are \$40,000 to Building #1 and \$20,000 to Building #2.

The value of damaged Building #1 at the time of Loss is \$500,000 and the value of damaged Building #2 at the time of loss is \$400,000.

The **actual** Limits of Insurance are \$400,000 for Building #1 and \$300,000 for Building #2 as shown in the most recent Statement of Values on file with us.

The “Named Storm” Percentage Deductible is 2%.

Building #1

Step (1): $\$400,000 \times 2\% = \$8,000$

Step (2): $\$40,000 - \$8,000 = \$32,000$

Building #2

Step (1): $\$300,000 \times 2\% = \$6,000$

Step (2): $\$20,000 - \$6,000 = \$14,000$

The most we will pay is \$46,000. The portion of the total loss not covered due to the application of the Deductible is \$14,000.

EXAMPLE #2

APPLICATION OF DEDUCTIBLE ON A PER LOCATION BASIS

NAMED STORM PERCENTAGE DEDUCTIBLE

The amounts of loss to the damaged buildings are \$40,000 to Location #1, Building #1, \$20,000 to Location #1, Building #2 and \$10,000 to Location #2, Building #1.

The value of damaged Location #1, Building #1 at the time of Loss is \$500,000. The value of damaged Location #1, Building #2 at the time of loss is \$400,000 and the value of damaged Location #2, Building #1 is \$250,000.

The **actual** Limits of Insurance are \$400,000 for Location #1, Building #1, \$300,000 for Location #1, Building #2 and \$200,000 for Location #2, Building #1 as shown in the most recent Statement of Values on file with us.

The "Named Storm" Percentage Deductible is 2%.

Location #1

Step (1): $\$700,000 \times 2\% = \$14,000$

Step (2): $\$60,000 - \$14,000 = \$46,000$

Location #2

Step (1): $\$200,000 \times 2\% = \$4,000$

Step (2): $\$10,000 - \$4,000 = \$6,000$

The most we will pay is \$52,000. The portion of the total loss not covered due to the application of the Deductible is \$18,000.

EXAMPLE #3

APPLICATION OF DEDUCTIBLE ON A PER UNIT OF INSURANCE BASIS

The amounts of loss to the damaged buildings are as follows: \$40,000 to Building at Location #1, Building #1, \$20,000 to Business Personal Property at Location #1, Building #1 and \$10,000 to Business Income at Location #2, Building #1.

The values of Location #1, Building #1 at the time of Loss are \$300,000 for Building, \$150,000 for Business Personal Property. The values of Location #2, Building #1 at the time of loss is \$300,000 for Building, \$100,000 for Business Personal Property and \$250,000 for Business Income.

The **actual** Limits of Insurance are \$400,000 for Building and \$300,000 for Business Personal Property at Location #1, Building #1 and \$400,000 for Building, \$200,000 for Business Personal Property and \$300,000 for Business Income at Location #2, Building #1 as shown in the most recent Statement of Values on file with us.

NAMED STORM PERCENTAGE DEDUCTIBLE

The “Named Storm” Percentage Deductible is 2%.

Location #1, Building #1

Step (1): $\$700,000 \times 2\% = \$14,000$

Step (2): $\$60,000 - \$14,000 = \$46,000$

Location #2, Building #1

Step (1): $\$300,000 \times 2\% = \$6,000$

Step (2): $\$10,000 - \$6,000 = \$4,000$

The most we will pay is \$50,000. The portion of the total loss not covered due to the application of the Deductible is \$20,000.

EXAMPLE #4

APPLICATION OF DEDUCTIBLE ON A TOTAL INSURED VALUE BASIS

The amounts of loss to the damaged buildings are \$40,000 to Building #1 and \$20,000 to Building #2.

The value of damaged Building #1 at the time of Loss is \$500,000 and the value of damaged Building #2 at the time of loss is \$400,000.

The **actual** Limits of Insurance are \$400,000 for Building #1 and \$300,000 for Building #2 and \$400,000 for Building #3 as shown in the most recent Statement of Values on file with us, totaling \$1,100,000.

The “Named Storm” Percentage Deductible is 2%.

Step (1): $\$1,100,000 \times 2\% = \$22,000$

Step (2): $\$60,000 - \$22,000 = \$38,000$

The most we will pay is \$38,000. The portion of the total loss not covered due to the application of the Deductible is \$22,000.

EARTHQUAKE AND OPTIONAL EARTHQUAKE SPRINKLER LEAKAGE PERCENTAGE DEDUCTIBLE

THIS ENDORSEMENT CHANGES THIS POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the:

AMWINS PROPERTY FORM

<p>“Earthquake” Percentage Deductible:</p>	<p>2% per Total Insurable Values per building reported on the Schedule of Values, subject to \$50,000 minimum per occurrence</p>
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The “Earthquake” Deductible shown above applies to loss or damage to Covered Property caused directly or indirectly by an “Earthquake”, regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage. If “Earthquake Sprinkler Leakage” is purchased in this policy, this deductible also applies to loss or damage to Covered Property caused directly or indirectly by “Earthquake Sprinkler Leakage”, regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

If Earth movement is purchased in this policy, all references to “Earthquake” shall mean “Earth movement”.

Deductible Clause:

A deductible amount is calculated and applied based on the amount or percentage as shown above.

- A. If the deductible is on a per building basis, the deductible is applied to the sum of all values listed in the most recent Schedule of Values on file with us for Buildings, Business Personal Property, Business Income and any other values for which coverage is provided under this policy related to each separately identifiable structure affected by loss or damage.
- B. If the deductible is on a per Location basis, the deductible is applied to the sum of all values listed in the most recent Schedule of Values on file with us for Buildings, Business Personal Property, Business Income and any other values for which coverage is provided under this policy related to each separate Location affected by loss or damage.
- C. If the deductible is on a per unit of Insurance basis, the deductible is applied separately to Buildings, Business Personal Property, Business Income and any other values for which coverage is provided

EARTHQUAKE AND OPTIONAL EARTHQUAKE SPRINKLER LEAKAGE PERCENTAGE DEDUCTIBLE

- A. under this policy related to each separately identifiable structure as listed in the most recent Schedule of Values on file us.
- B. If the deductible is on a Total Insured Value basis, the deductible is applied to the sum of all values listed in the most recent Schedule of Values on file with us.

If this policy covers Time Element Coverage, the deductible shown above applies after the Time Element Deductible stated in F. Deductibles of SRU-003.

Application of Deductible:

EXAMPLE #1

APPLICATION OF DEDUCTIBLE ON A PER BUILDING BASIS

The amounts of loss to the damaged buildings are \$40,000 to Building #1 and \$20,000 to Building #2. The value of damaged Building #1 at the time of Loss is \$500,000 and the value of damaged Building #2 at the time of loss is \$400,000.

The **actual** Limits of Insurance are \$400,000 for Building #1 and \$300,000 for Building #2 as shown in the most recent Statement of Values on file with us.

The “Earth Movement” Percentage Deductible is 2%.

Building #1

Step (1): $\$400,000 \times 2\% = \$8,000$
Step (2): $\$40,000 - \$8,000 = \$32,000$

Building #2

Step (1): $\$300,000 \times 2\% = \$6,000$
Step (2): $\$20,000 - \$6,000 = \$14,000$

The most we will pay is \$46,000. The portion of the total loss not covered due to the application of the Deductible is \$14,000.

EXAMPLE #2

APPLICATION OF DEDUCTIBLE ON A PER LOCATION BASIS

EARTHQUAKE AND OPTIONAL EARTHQUAKE SPRINKLER LEAKAGE PERCENTAGE DEDUCTIBLE

The amounts of loss to the damaged buildings are \$40,000 to Location #1, Building #1, \$20,000 to Location #1, Building #2 and \$10,000 to Location #2, Building #1.

The value of damaged Location #1, Building #1 at the time of Loss is \$500,000. The value of damaged Location #1, Building #2 at the time of loss is \$400,000 and the value of damaged Location #2, Building #1 is \$250,000.

The **actual** Limits of Insurance are \$400,000 for Location #1, Building #1, \$300,000 for Location #1, Building #2 and \$200,000 for Location #2, Building #1 as shown in the most recent Statement of Values on file with us.

The "Earth Movement" Percentage Deductible is 2%.

Location #1

Step (1): $\$700,000 \times 2\% = \$14,000$

Step (2): $\$60,000 - \$14,000 = \$46,000$

Location #2

Step (1): $\$200,000 \times 2\% = \$4,000$

Step (2): $\$10,000 - \$4,000 = \$6,000$

The most we will pay is \$52,000. The portion of the total loss not covered due to the application of the Deductible is \$18,000.

EXAMPLE #3

APPLICATION OF DEDUCTIBLE ON A PER UNIT OF INSURANCE BASIS

The amounts of loss to the damaged buildings are as follows: \$40,000 to Building at Location #1, Building #1, \$20,000 to Business Personal Property at Location #1, Building #1 and \$10,000 to Business Income at Location #2, Building #1.

The values of Location #1, Building #1 at the time of Loss are \$300,000 for Building, \$150,000 for Business Personal Property. The values of Location #2, Building #1 at the time of loss is \$300,000 for Building, \$100,000 for Business Personal Property and \$250,000 for Business Income.

The **actual** Limits of Insurance are \$400,000 for Building and \$300,000 for Business Personal Property at Location #1, Building #1 and \$400,000 for Building, \$200,000 for Business Personal Property and

EARTHQUAKE AND OPTIONAL EARTHQUAKE SPRINKLER LEAKAGE PERCENTAGE DEDUCTIBLE

\$300,000 for Business Income at Location #2, Building #1 as shown in the most recent Statement of Values on file with us.

The "Earth Movement" Percentage Deductible is 2%.

Location #1, Building #1

Step (1): $\$700,000 \times 2\% = \$14,000$

Step (2): $\$60,000 - \$14,000 = \$46,000$

Location #2, Building #1

Step (1): $\$300,000 \times 2\% = \$6,000$

Step (2): $\$10,000 - \$6,000 = \$4,000$

The most we will pay is \$50,000. The portion of the total loss not covered due to the application of the Deductible is \$20,000.

EXAMPLE #4

APPLICATION OF DEDUCTIBLE ON A TOTAL INSURED VALUE BASIS

The amounts of loss to the damaged buildings are \$40,000 to Building #1 and \$20,000 to Building #2. The value of damaged Building #1 at the time of Loss is \$500,000 and the value of damaged Building #2 at the time of loss is \$400,000.

The **actual** Limits of Insurance are \$400,000 for Building #1 and \$300,000 for Building #2 and \$400,000 for Building #3 as shown in the most recent Statement of Values on file with us, totaling \$1,100,000.

The "Earth Movement" Percentage Deductible is 2%.

Step (1): $\$1,100,000 \times 2\% = \$22,000$

Step (2): $\$60,000 - \$22,000 = \$38,000$

The most we will pay is \$38,000. The portion of the total loss not covered due to the application of the Deductible is \$22,000.

All other terms and conditions of the policy will remain the same.

EIFS Exclusion

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

This endorsement modifies insurance provided under the:

AMWINS PROPERTY FORM

AMWINS SPECIAL RISK UNDERWRITERS EXCESS PHYSICAL DAMAGE FORM

AMWINS SPECIAL RISK UNDERWRITERS PRIMARY CO-INSURING FORM

Notwithstanding any provision to the contrary within the Policy of which the Endorsement forms part (or within any other Endorsement which forms part of this policy), this policy is amended as follows:


This insurance does not apply to loss or damage caused by or resulting from a Water Damage or Windstorm or Hail loss if such loss or damage occurs to Covered Property with Exterior Insulation and Finish System (EIFS) and the loss or damage is increased in whole or in part by such EIFS.

Exterior Insulation and Finish System (EIFS) means a non-load bearing, exterior wall cladding system that consists of an insulation board attached either adhesively or mechanically, or both, to the substrate; an integrally reinforced base coat; and a textured protective finish coat.

All Other Terms and Conditions of the policy remain unchanged.

Policy Changes

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY NUMBER(S): AOP-240478 AQS-241444 MDM-241444 HVR-241444 RNR-241444 HAQS-241444 BMX-241444 VAS-241444 SCO0010892 STY-241444 PCOR-241444 MSRU004423-00	POLICY CHANGES EFFECTIVE: 6/28/2024	COMPANY(S): Certain Underwriters at Lloyd's Certain Underwriters at Lloyd's Certain Underwriters at Lloyd's Certain Underwriters at Lloyd's Certain Underwriters at Lloyd's HDI Global Specialty SE Partner Re Insurance Solutions of Bermuda Covington Specialty Insurance Company Western World Insurance Company Certain Underwriters at Lloyd's Palomar Excess and Surplus Insurance Company Evanston Insurance Company
NAMED INSURED: Marsh Pointe Condominium & Homeowners Association, Inc	POLICY CHANGE NO 1	AUTHORIZED REPRESENTATIVE: 

It is hereby agreed and understood that the following change(s) are made to this policy:

1. Coverage for the Peril of Storm Surge is excluded.

VIOLATION OF US LAWS OR SANCTIONS

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY POLICY

The following CONDITION is added to the policy:

This policy does not provide any coverage, however, for any property, location, interest, loss, cost, expense, damage or claim that would be in violation of any United States of America laws or sanctions, including, but not limited to, any sanctions administered and enforced by the United States Treasury Department's Office of Foreign Assets Control ("OFAC").

All Other Terms and Conditions of the policy remain unchanged.

CERTAIN UNDERWRITERS AT LLOYD'S SYNDICATE LIST

Account Number: S-2405-0534168-01

Certificate Number	UMR Number	Syndicate Number	Syndicate Abbr	Syndicate Name	% Participation
AOP-240478	B123024AWS1095	0510	KLN	Tokio Marine Kiln Syndicates Ltd.	80.0000%
AOP-240478	B123024AWS1095	1880	TMK	Tokio Marine Kiln Syndicates Ltd.	20.0000%
AQS-241444	B123024AWS1637 - Section 1	0510	KLN	Tokio Marine Kiln Syndicates Ltd.	58.7952%
AQS-241444	B123024AWS1637 - Section 1	1880	TMK	Tokio Marine Kiln Syndicates Ltd.	14.6988%
AQS-241444	B123024AWS1637 - Section 1	1183	TAL	Talbot Underwriting Limited	14.4578%
AQS-241444	B123024AWS1637 - Section 1	2623	AFB	Beazley Furlonge Limited	4.8578%
AQS-241444	B123024AWS1637 - Section 1	0623	AFB	Beazley Furlonge Limited	1.8892%
AQS-241444	B123024AWS1637 - Section 1	1225	AES	AEGIS Managing Agency Limited	2.4096%
AQS-241444	B123024AWS1637 - Section 1	4444	CNP	Canopus Managing Agents Limited	2.8916%
MDM-241444	B123022AWS1641 - Section 1	2987	BRT	Brit Syndicates Limited	73.5652%
MDM-241444	B123022AWS1641 - Section 1	1618	KII	Kii Syndicate	26.4348%
RNR-241444	B123024AWS1643 - Section 1	1458	RNR	RenaissanceRe Syndicate Management Limited	100.0000%
STY-241444	B123024AWS1646 - Section 1	0510	KLN	Tokio Marine Kiln Syndicates Ltd.	80.0000%
STY-241444	B123024AWS1646 - Section 1	1880	TMK	Tokio Marine Kiln Syndicates Ltd.	20.0000%
HVR-241444	B123024AWS1457 - Section 1	0033	HIS	Hiscox Syndicates Limited	100.0000%

Biological Or Chemical Materials Exclusion

Any other similar Exclusion within this Policy (or within any other Endorsement which forms part of this Policy) is deleted and replaced by the following:

It is agreed that this Insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.

Radioactive Contamination Exclusion Clause – Physical Damage – Direct (U.S.A)

Any other similar Exclusion within this Policy (or within any other Endorsement which forms part of this Policy) is deleted and replaced by the following:

This policy does not cover any loss or damage arising directly or indirectly from nuclear reaction, nuclear radiation or radioactive contamination however such nuclear reaction, nuclear radiation or radioactive contamination may have been caused. *NEVERTHELESS if Fire is an insured peril and a Fire arises directly or indirectly from nuclear reaction, nuclear radiation or radioactive contamination any loss or damage arising directly from that Fire shall (subject to the provisions of this policy) be covered EXCLUDING however all loss or damage caused by nuclear reaction, nuclear radiation or radioactive contamination arising directly or indirectly from that Fire.

*NOTE - If Fire is not an insured peril under this policy the words from "NEVERTHELESS" to the end of the clause do not apply and should be disregarded.

COMMUNICABLE DISEASE ENDORSEMENT
(For use on property policies)

1. This policy, subject to all applicable terms, conditions and exclusions, covers losses attributable to direct physical loss or physical damage occurring during the period of insurance. Consequently, and notwithstanding any other provision of this policy to the contrary, this policy does not insure any loss, damage, claim, cost, expense or other sum, directly or indirectly arising out of, attributable to, or occurring concurrently or in any sequence with a Communicable Disease or the fear or threat (whether actual or perceived) of a Communicable Disease.
2. For the purposes of this endorsement, loss, damage, claim, cost, expense or other sum, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test:
 - 2.1. for a Communicable Disease, or
 - 2.2. any property insured hereunder that is affected by such Communicable Disease.
3. As used herein, a Communicable Disease means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:
 - 3.1. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
 - 3.2. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
 - 3.3. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property insured hereunder.
4. This endorsement applies to all coverage extensions, additional coverages, exceptions to any exclusion and other coverage grant(s).

All other terms, conditions and exclusions of the policy remain the same.

LMA5393

25 March 2020

REMARKS

Empty box for remarks.

APPLICABLE IN ALABAMA

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or who knowingly presents false information in an application for insurance is guilty of a crime and may be subject to restitution fines or confinement in prison, or any combination thereof.

APPLICABLE IN ALASKA

A person who knowingly and with intent to injure, defraud, or deceive an insurance company files a claim containing false, incomplete, or misleading information may be prosecuted under state law.

APPLICABLE IN ARIZONA

For your protection, Arizona law requires the following statement to appear on this form. Any person who knowingly presents a false or fraudulent claim for payment of a loss is subject to criminal and civil penalties.

**APPLICABLE IN ARKANSAS, DELAWARE, KENTUCKY, LOUISIANA, MAINE, MICHIGAN, NEW JERSEY,
NEW MEXICO, NEW YORK, NORTH DAKOTA, PENNSYLVANIA, RHODE ISLAND, SOUTH DAKOTA,
TENNESSEE, TEXAS, VIRGINIA, AND WEST VIRGINIA**

Any person who knowingly and with intent to defraud any insurance company or another person, files a statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact, material thereto, commits a fraudulent insurance act, which is a crime, subject to criminal prosecution and [NY: substantial] civil penalties. In LA, ME, TN, and VA, insurance benefits may also be denied.

APPLICABLE IN CALIFORNIA

For your protection, California law requires the following to appear on this form: Any person who knowingly presents a false or fraudulent claim for payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

APPLICABLE IN COLORADO

It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policy holder or claimant for the purpose of defrauding or attempting to defraud the policy holder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

APPLICABLE IN THE DISTRICT OF COLUMBIA

Warning: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits, if false information materially related to a claim was provided by the applicant.

APPLICABLE IN FLORIDA

Pursuant to S. 817.234, Florida Statutes, any person who, with the intent to injure, defraud, or deceive any insurer or insured, prepares, presents, or causes to be presented a proof of loss or estimate of cost or repair of damaged property in support of a claim under an insurance policy knowing that the proof of loss or estimate of claim or repairs contains any false, incomplete, or misleading information concerning any fact or thing material to the claim commits a felony of the third degree, punishable as provided in S. 775.082, S. 775.083, or S. 775.084, Florida Statutes.

APPLICABLE IN HAWAII

For your protection, Hawaii law requires you to be informed that presenting a fraudulent claim for payment of a loss or benefit is a crime punishable by fines or imprisonment, or both.

APPLICABLE IN IDAHO

Any person who knowingly and with the intent to injure, defraud, or deceive any insurance company files a statement of claim containing any false, incomplete or misleading information is guilty of a felony.

APPLICABLE IN INDIANA

A person who knowingly and with intent to defraud an insurer files a statement of claim containing any false, incomplete, or misleading information commits a felony.

APPLICABLE IN KANSAS

Any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act.

APPLICABLE IN MARYLAND

Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

APPLICABLE IN MINNESOTA

A person who files a claim with intent to defraud or helps commit a fraud against an insurer is guilty of a crime.

APPLICABLE IN NEVADA

Pursuant to NRS 686A.291, any person who knowingly and willfully files a statement of claim that contains any false, incomplete or misleading information concerning a material fact is guilty of a felony.

APPLICABLE IN NEW HAMPSHIRE

Any person who, with purpose to injure, defraud or deceive any insurance company, files a statement of claim containing any false, incomplete or misleading information is subject to prosecution and punishment for insurance fraud, as provided in RSA 638:20.

APPLICABLE IN OHIO

Any person who, with intent to defraud or knowing that he/she is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

APPLICABLE IN OKLAHOMA

WARNING: Any person who knowingly and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

APPLICABLE IN WASHINGTON

It is a crime to knowingly provide false, incomplete, or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.