



June 7, 2017

Finn Striping LLC
6821 Conestoga Parkway
Pahrump, NV 89048

RE: Acuity Mutual
Policy #: Z73479
Policy Term: 06/01/2017 - 06/01/2018

Enclosed is your business insurance policy issued by Acuity. Thank you for choosing us to provide for your insurance needs. We sincerely appreciate your business.

Carefully review your policy to insure the limits of insurance, locations, named insureds and auto/equipment schedules are accurate in the event of a claim. If any changes are necessary, please contact our office immediately. **If we do not hear from you we will assume the policy is correct.**

There are many other coverages that you may wish to consider adding to your current insurance program. We have attached an Optional Coverages page that summarizes many of the coverages available for your business.

Some key points to remember:

- Higher limits of liability coverage are available
- Your property must be insured to value to avoid a co-insurance penalty, in the event of a claim
- Your policy contains limitations and exclusions that affect your coverage. It is important you carefully review them and contact me with any questions.

Please review with your key employees the "Notification Requirements" page, which outlines many of the instances when you will need to contact our agency. We have also included a Certificate Request form should you need us to send evidence of your coverage to a third-party. If you have questions or need service please contact me or your service representative, **Adrianne R Goodrich**.

We hope that you will keep in mind that Safeguard Insurance offers all types of property, casualty, life, health and bonding for both individuals and businesses. A no obligation quotation is as close as a phone call. We are pleased to be handling your account and look forward to working with you

Best Regards,

A handwritten signature in black ink, appearing to read "Ryan Dye".

Ryan D Dye
Account Executive

OPTIONAL COVERAGE OFFER

We have quoted and issued your policy with the coverage and limits that you requested. There are many optional coverages that may be available to enhance your policy. This is not an all-inclusive list and your policy may already include some of coverage types listed. It is important you understand that neither your agent nor your insurance company can reasonably foresee all potential claim scenarios your business may be exposed to. This optional coverage offer is an attempt to inform you of coverages that are available to address potential deficiencies in your insurance policy. Please contact us immediately if you would like more information about your specific policy.

- **Accounts Receivable:**
Reimbursement for all sums due you from customers, up to the coverage limit, providing you are unable to effect collection thereof as a direct result of loss or damage to records of accounts receivable.
- **Building Ordinance or Law:**
 - (1) **Coverage for Loss to the Undamaged Portion of the Building:** Pays for the loss of value of an undamaged portion of the existing building which must be demolished and/or removed to conform with municipal ordinance, code, etc.
 - (2) **Demolition Cost:** Pays for the cost of demolition of the undamaged portions of the building necessitated by the enforcement of building, zoning or land use ordinance or law.
 - (3) **Increased Cost of Construction:** Pays for any increased expenses incurred to replace the building with one conforming to building laws or ordinances, or to repair the damaged building so that it meets the specifications of current building laws or ordinances.
- **Business Income:**
Commercial coverage that reimburses a business owner for lost profits and continuing fixed expenses during the time that a business must stay closed while the premises are being restored because of physical damage from a covered peril, such as a fire. It also may cover financial losses that may occur if civil authorities limit access to an area after a disaster and their actions prevent customers from reaching the business premises. Depending on the policy, civil authority's coverage may start after a waiting period and last for two or more weeks.
- **Business Personal Property:**
Provides coverage for the contents of your location including, but not limited to, equipment, stock, office furnishings and tenant improvements. Property coverage is specific to a particular location so any equipment, tools or other items that leave the premise may have limited coverage (see equipment floater).
- **Boiler & Machinery and Equipment Breakdown**
Provides comprehensive coverage for the breakdown of business equipment including telephone systems, electrical peripherals, computers and networks, HVAC, mechanical, and production or process equipment. Coverage is provided for the repair or replacement of the damaged equipment. This coverage addresses several exclusions in standard property coverage for damage caused by short circuit, electrical arcing and mechanical failure.
- **Bonds:**
We can provide you with surety products for taxation, licensing and contract bonds as your needs may arise.
- **Broad Form Property Damage:**
Coverage that can be endorsed to the ISO comprehensive general liability policy to reduce the restrictive scope of the "care, custody, or control" and property damage to "that particular part of real property on which you are working" exclusions contained in these contracts (sections J.4 and J.5). The endorsement is needed by many contractors, manufacturers, processors and service firms that work on the property of others.
- **Crime Coverage:**
Whether caused by robbery or employee dishonesty, crime insurance will reimburse you for lost money & securities.

- **Directors & Officers Liability (D&O):**
Insures corporate directors and officers against claims, most often by stockholders and employees, alleging financial loss arising from mismanagement. The policies contain two coverages: the first reimburses the insured organization when it is legally obligated (typically by corporate charter or state statute) to indemnify corporate directors and officers for their acts; the second provides direct coverage to directors and officers when the organization is not legally obligated to indemnify them. In addition, a third type of coverage, known as entity securities liability insurance is usually available on an optional basis, for additional premium. Such coverage insures the corporate organization in connection with securities it has issued. D&O forms are written on a claims-made basis, generally contain no explicit duty to defend the insureds, and typically exclude intentional/dishonest acts and bodily injury and property damage.
- **Drive Other Car Coverage:**
A commercial auto endorsement designed to provide coverage similar to that which would be provided under a personal auto policy. The endorsement is commonly used when an executive officer, for example, does not carry personal auto insurance because he or she is furnished a company auto. Coverage under the endorsement would come into play in the event the individual designated in the endorsement is driving a non-owned auto for personal use, such as rental vehicle while on vacation.
- **Earthquake Coverage:**
Earthquake is typically excluded (along with other earth movement) from most property insurance policies, except ensuing fire. In most cases, earthquake coverage must be purchased by endorsement to a difference-in-conditions policy or to an all risks policy. Normally, the coverage provided is subject to a per occurrence sublimit, an annual aggregate limit, and a separate deductible.
- **Electronic Data Processing:**
Expanded property coverage specifically designed for computer networks, telephone networks, point-of-sale systems and computer software.
- **Employee Benefits Liability:**
Liability of an employer for an error or omission in the administration of an employee benefit program, such as failure to advise employees of benefit programs. Coverage of this exposure is usually provided by endorsement to the general liability policy but may also be provided by a fiduciary liability policy.
- **Employment Practices Liability:**
Provides coverage for lawsuits related to claims of sexual harassment, wrongful termination, and other violations of employees' legal rights.
- **Equipment & Tools Floater:**
Property insurance covering equipment that is often moved from place to place. A form of inland marine insurance that is important for any business whose employees transport tools & equipment in vehicles or trailers.
- **Flood Insurance:**
Underwritten by FEMA, flood insurance provides coverage for damage caused by surface water or overflow of sewer and drains that would otherwise would not be covered by your standard property insurance
- **Garage Keepers Legal Liability:**
If you have possession of your customers vehicles for service & repair, or even have a parking lot in your control, you may want to consider Garage Keepers liability to cover any damage that may occur to those vehicles.
- **Glass & Sign:**
Provides a separate limit of coverage for glass that you may be responsible to insure as part of your lease agreement. May also provide coverage for exterior signs that either freestanding or attached to a building. The deductible for this coverage may differ than your standard property deductible.
- **Hired Auto Liability:**
Provides coverage for an automobile whose use and control has been temporarily given to you

for consideration, such as a rented vehicle. On a business auto policy, this will be indicated as coverage symbol "8".

- **Increased Limits of General Liability:**
You may be able to purchase higher limits of liability or a higher aggregate limit of coverage.
- **Installation Floater:**
Inland marine coverage on property (usually equipment) being installed by a contractor. Essentially a specialized type of builders risk coverage that is often written on the same form used to provide builders risk coverage.
- **Mold & Fungus:**
Most General Liability and Property policies have either an exclusion for or a specified limit of coverage for mold removal. If your business involves the abatement of mold you may need specific coverage to address that exposure.
- **Non-Owned Auto Liability:**
Coverage for an auto used in your business but neither owned, leased, hired, rented nor borrowed by you. This frequently refers to vehicles owned by employees that are used for company business. On a business auto policy, this will be indicated by coverage symbol "9".
- **Professional Liability:**
If your business operations include giving advice, counseling, engineering or drafting, performing service or maintenance on the property of others, or providing a professional service to other people, you may need to consider purchasing professional liability to address potential gaps in the standard General Liability policy. Examples of professions that commonly need to consider purchasing professional liability include, but are not limited to, medical practitioners, attorneys, counselors and therapists, veterinarians, contractors, cosmetologists and beauticians, bookkeepers and accountants.
- **Property of Others or Bailee:**
Bailee coverage addresses the exposure you may have if you hold your customer's property for service or repair. Businesses such as dry cleaners and auto garages have a large potential for losses to the property of their customers that is being held for service or repair.
- **Pollution Liability:**
If you store, transport or test for any type of potentially hazardous substance, you may need to consider pollution liability. General Liability coverage specifically excludes loss that arises from the dispersal, seepage or release of any pollutants including the associated cost of clean-up.
- **Terrorism:**
Provided as part of the TRIA federal law, this coverage expands your policy to address losses you might incur as a result of a certified act of terrorism within the United States.
- **Umbrella or Excess Liability:**
A policy designed to provide protection against catastrophic losses. It generally is written over various primary liability policies, such as the business auto policy, commercial general liability policy, watercraft and aircraft liability policies, and employers liability coverage. The umbrella policy serves three purposes: it provides excess limits when the limits of underlying liability policies are exhausted by the payment of claims; it drops down and picks up where the underlying policy leaves off when the aggregate limit of the underlying policy in question is exhausted by the payment of claims; and it may provide protection against some claims not covered by the underlying policies, subject to the assumption, by the named insured, of a self-insured retention (similar to a deductible).

NOTIFICATION REQUIREMENTS

To ensure your policy coverage is properly tailored to your particular needs, it is essential that you inform us of any changes in your business operations. The types of operational changes that especially concern us include, but are not limited to the following:

- Newly acquired equipment (including portable tools), vehicles, machinery, buildings and business personal property.
- Rented equipment or any type of property that belongs to another party, including vehicles, that is now in your care, custody and control.
- Any significant changes to your payroll and/or gross revenue. These figures may be used to calculate premium for your workers compensation and/or general liability coverage.
- Merger and/or acquisition of new companies
- Occupancy changes to any buildings owned by you
- Changes to any products you manufacture, distribute or sell
- Any change to the registration of vehicles you own
- Address changes including mailing and physical location
- Contact information such as telephone and fax numbers and e-mail
- Newly hired drivers (for garage, auto dealer and commercial auto policies)

CERTIFICATES OF INSURANCE

It is common for various persons or organizations to request verification of your insurance coverage. These third-parties may include landlords, leasing companies, service providers, general contractors and mortgage or loan providers. We can provide these entities with verification of coverage using a specific document known as a Certificate of Insurance.

Many times these requests will also specify the particular entity be named as "additional insured". It is important you understand the implications of granting a personal or organization "additional insured" status. The following information is intended to answer many questions regarding certificates and additional insured. Should you have a question not detailed here, please contact us.

- *What is an Additional Insured?*
Any person or organization not automatically included as an insured under an insurance policy, but for whom insured status is arranged by policy endorsement. An organization that has an insurable interest in your ongoing operations, workmanship, or physical location is likely to request additional insured status. The additional insured status grants specific rights subject to your policy conditions and the specific additional insured endorsement form used.
- *How does the Additional Insured status affect me?*
Granting a third-party additional insured status means your insurance company, in the event of covered claim, must defend both you and the additional insured. It also means you may become involved in claims or lawsuits that are not necessarily a result of your direct negligence. While common, granting additional insured status to a person or organization could have ramifications for you.
- *Is there a cost for issuing Certificates of Insurance?*
If the third-party is *NOT* requesting Additional Insured status there is generally no additional cost to issue a certificate of insurance. If the third-party is requesting Additional Insured status, your insurance company may charge a fee to process the endorsement. This fee will range from \$25 to \$150. If the Additional Insured is requesting special wording such as "primary or non-contributory" this fee can be as high as \$300.
- *What is Blanket Additional Insured?*
This is a policy endorsement that provides automatic additional insured status to any party that requires it. The terms of this endorsement vary but generally require that you have a written agreement with the other party that specifies you are required to provide additional insured status. There is usually a charge for this endorsement, but it is often more cost effective than purchasing individual additional insured certificates.
- *What is the processing time to issue a Certificate of Insurance?*
We process certificate requests in a first in, first out workflow. If we receive your request before 1PM, the certificate will generally be done the same day. After 1PM, you should expect to receive the certificate the next day. At times, this process may take from several days to several weeks because of policy conditions, status or other requirements imposed on us by your insurance company. If we are unable to process the certificate request in a timely manner we will notify you quickly as to the reason and expected delivery time.
- *Who do I contact to request a Certificate of Insurance?*
Please contact your Account Representative or go to **safeguardme.com** and click on the POLICY SERVICE link from the menu. Our online request form will gather very specific information that helps us ensure the proper endorsement form is used.

FILING AN INSURANCE CLAIM

Should the unthinkable happen, it is our goal to ensure you are treated fairly and your claim handled promptly by the insurance company's claims department. Your agent and account representative are available to answer questions and assist with any concerns about the claims process.

Please contact our office to report any type of loss. Depending on the type of policy, we will either notify the insurance company on your behalf, or conference call with you to claim reporting center. Our website, **safeguardme.com**, provides a list of 24-hour telephone numbers and online links to ALL of our insurance company partners, should you need to report a claim after our business hours.

The following information should assist you in the event of a loss or claim:

PROPERTY LOSSES

- Notify the police if any law may have been broken, such as burglary or vandalism.
- If possible, take photos of the damage
- Take all reasonable steps to protect your property from further damage
- Notify your insurance company or agent immediately of the loss
- Prepare a complete inventory of all items damaged or missing
- Keep records of any additionally incurred expenses for consideration in your settlement

AUTOMOBILE ACCIDENTS

- In the event of an auto accident, notify the police immediately and request an officer investigate the incident.
- If possible, take photos of the damage position of the vehicles
- Do not move the vehicles until the police arrive, unless it unsafe to do so
- Exchange information with the other driver including policy numbers, insurance carrier, address and contact numbers
- Note any conditions that may have contributed to incident such as weather, road surface, driver behavior and vehicle condition
- Notify your insurance company or agent immediately of the loss
- If a lawsuit is filed against you, please submit a copy of all correspondence to our office or your adjuster immediately

GENERAL LIABILITY LOSSES

- Gather all details of the loss including property damaged or injuries sustained
- If possible, take photos of anything that might be useful to reconstruct the incident
- Notify your insurance company or agent immediately of the loss
- If a lawsuit is filed against you, please submit a copy of all correspondence to our office or your adjuster immediately

EMPLOYEE INJURIES (WORKERS COMPENSATION)

- If the employee requires immediate medical care, visit the nearest urgent care center, ER or call an ambulance
- Advise the employee to notify the hospital or physician that the injury was work related
- Make a detailed record of the circumstances surrounding the injury – type of work being done, tools or equipment being used by the employee, type of jobsite, etc.
- Contact us or your insurance company as soon as possible to complete the necessary claim forms

Your insurance policy contains all the terms and conditions that determine whether a reported incident is a covered claim. We encourage you to discuss your policy with your agent to ensure you have the proper coverage BEFORE an incident occurs.

CERTIFICATE OF INSURANCE REQUEST

Finn Striping LLC
Policy Number
Z73479

Requested By: _____

Contact Phone Number: _____

Certificate Holder

Name _____

Street Address _____

City, State, ZIP _____

Delivery Information

How would you like us to send this certificate to the holder?

Delivery Method Fax E-Mail Mail Original

Holder E-Mail _____

Holder Fax Number _____

Attention To _____

Certificate Coverages

Please specify which coverage you would like to appear on the certificate of insurance. If nothing is specified, we will send a certificate that shows all active policies.

General Liability Yes No

Automobile Liability Yes No

Property/Contents Yes No

Equipment Yes No

Umbrella Yes No

Workers Compensation Yes No

Other (specify) _____

Additional Insured Information

Additional insured status? General Liability Auto

Primary/Non-Contributory Wording? Primary Non-Contributory

Waiver of Subrogation? General Liability Auto Workers Compensation

Relationship to Policyholder Landlord Equipment Lessor Vendor General Contractor

Property Owner Retail Supplier Lender/Mortgagee

Public Entity/Permits

Special Wording or Other Information _____

Please fax this form to (702) 638-0050. You may also submit the same information online at safeguardme.com. Click on POLICY SERVICE and then CERTIFICATE REQUEST. Please contact us at (702) 638-0022 (Option #3, Commercial Lines Service) if you have any questions.

SAFEGUARD INSURANCE

PLEDGE OF PERFORMANCE

As in independent insurance agency our access to multiple companies and commitment to quality service enable us to offer our clients competitive pricing, a broad choice of products and unparalleled advocacy. We are dedicated to you and are committed to treating you as a person, not a policy.

This commitment means we shall:

- Work with you to identify the insurance products that are right for you, your family or your business and use our access to multiple companies to deliver those products.
- Guide you through the claims process for a prompt and fair resolution of your claim.
- Help you solve problems related to your coverage or account.
- Explain the coverages and options available to you through our agency, at your request.
- Return your phone calls and e-mails promptly and respond to your requests in a timely manner.
- Provide 24/7 services for our customers, offering any or all of the following: emergency phone numbers, internet account access, e-mail and call center services.
- Use our experience and multiple company relationships to customize your coverage as needed.
- Commit our staff to continuing education so they may be more knowledgeable in serving you.
- Treat you with respect and courtesy.
- Conduct our business in an ethical manner.

We pledge this to our clients and ask that you let us know if we fail to meet our commitment so we may take corrective action.



**SPECIALIZING IN
PAINTING**

June 1, 2017

FINN STRIPING LLC
6821 CONESTOGA PKWY
PAHRUMP NV 89048

Policy Number: Z73479

Access your policy information online!

Dear President/Owner,

The following features are available through *ACUITY's* secure website:

- View your business policy information, billing status, claim history, certificates of insurance, and loss run reports for all lines
- Make a payment for your policy premium
- Print a copy of your policy instantly

***ACUITY's* Online Registration**

Visit our website at www.acuity.com
Click on "New User"

- Enter your active policy number Z73479
- Enter your ZIP Code
- Enter your agency code (located on your policy declaration page or your bill)
- Enter your name
- Create your personal Login ID (must be a minimum of five characters)
- Create your personal password (must be a minimum of six characters)

After completing these steps, immediate access to your policy will be granted.

Please contact the *ACUITY* Help Desk at 1-800-242-7666 Ext. 4357 with any questions regarding the registration process or our website. The Help Desk is available Monday through Friday from 7 a.m. to 4:30 p.m. (CST).

Thank you for choosing *ACUITY*. We look forward to serving you!

Represented by
SAFEGUARD INSURANCE LLC
(702)638-0022



June 1, 2017

FINN STRIPING LLC
6821 CONESTOGA PKWY
PAHRUMP NV 89048

Policy Number: Z73479

Dear Policyholder:

Thank you for insuring with *ACUITY*.

With *ACUITY*, you can expect fast and fair claims service. You can also expect competitive rates and coverage, a willingness to listen and respond, prompt and accurate policy processing, a highly competent and courteous staff, financial strength and a wide range of flexible billing options.

We really do appreciate your business. If you have any questions or problems relating to your insurance, please do not hesitate to contact us.

It is our pleasure to serve you!

ACUITY

Represented by

SAFEGUARD INSURANCE LLC
(702) 638-0022



June 1, 2017

FINN STRIPING LLC
6821 CONESTOGA PKWY
PAHRUMP NV 89048

Policy Number: Z73479

Dear Policyholder:

Welcome to *ACUITY*!

Your business is now insured under the *ACUITY* Commercial Package Policy Program. By choosing *ACUITY*, you have selected a commercial insurer committed to quality. Our commitment to you includes state-of-the-industry coverages plus policy, claims and loss control services that meet the highest standards. We look forward to a long association as a provider of vital insurance protection for your business operations.

Your Independent Agent

This policy is sold and serviced by an independent insurance agent. Because independent agents can provide insurance coverage through more than one company, you can be confident that you have made a wise selection. Your agent stands ready to serve your needs and answer your questions with regard to this policy.

Terrorism Information

Please refer to the Policyholder Disclosure Notice of Terrorism Insurance Coverage and any applicable Terrorism Premium Information page(s) following this letter for information regarding the Terrorism Risk Insurance Act.

At your request, your policy has been issued **without** coverage for losses resulting from terrorist acts as defined in the Act. Coverage does apply under workers' compensation insurance if included in this policy.

The Terrorism Risk Insurance Program is scheduled to terminate on December 31, 2020. Please refer to the Potential Change in Terrorism Coverage During the Term of Your Policy notice for details regarding changes in your coverage for acts of terrorism if the Program is not extended by the federal government.

For More Information

Please contact your agent if you have any questions or desire any changes in your policy. Your agent can also help determine if your coverage adequately meets your insurance needs.

Thank you for insuring with *ACUITY*.

Ben Salzmann
President



June 1, 2017

FINN STRIPING LLC
6821 CONESTOGA PKWY
PAHRUMP NV 89048

Policy Number: Z73479

Information About Your Policy Regarding Mold, Bacteria or Fungi Coverage

Bis-Pak

Fungi or Bacteria Exclusion (Liability), CB-0577(4-10)

- There is no coverage for bodily injury or property damage arising directly or indirectly out of fungi, including but not limited to mold, mildew, and byproducts thereof, or bacteria that is on or within a building or structure, including its contents.
- We will not pay for any loss, cost, or expense to test for, clean up, remove, or dispose of fungi or bacteria.

Deluxe Bis-Pak Property Coverage Form, CB-0002(8-15)

- Coverage for loss or damage caused by fungi, including, but not limited to, mold, mildew, and byproducts thereof, wet rot, or dry rot that result from a covered cause of loss, other than fire or lightning, is limited to a policy annual aggregate of \$15,000 under the Bis-Pak Property Coverage Form.
- Under Business Income and Extra Expense Coverage, we will pay the amount of covered loss or expense sustained in a 30-day period due to loss or damage to property caused by fungi, wet rot, or dry rot. If fungi, wet rot, or dry rot is not the cause of the loss or damage, but remediation of the fungi, wet rot, or dry rot prolongs the period of restoration, we will pay for the loss or expense sustained during the delay for up to 30 days.
- Under the Increased Cost of Construction Additional Coverage, we will not pay for costs associated with the enforcement of or compliance with any ordinance or law that requires the demolition, repair, or remediation of property due to fungi, wet rot, dry rot, or pollutants or that requires you to test for, clean up, remove, or assess the effects of fungi, wet rot, dry rot, or pollutants.

Important Notice

Attached are a Policyholder Disclosure Notice of Terrorism Insurance Coverage and any applicable Terrorism Premium Information page(s) which provide you with information regarding the Terrorism Risk Insurance Act.

At your request, we issued this policy so that, where permitted, coverage does not apply to losses caused by terrorist acts as defined in the Act. You have the right to have this coverage added to your policy if you have decided, since signing the rejection form, that you would like coverage. You may do this any time during the 30 days following the date shown on the bottom right corner by signing this letter and mailing it to *ACUITY*, P.O. Box 58, Sheboygan, WI 53082-0058; emailing it to commercial.endorsements@acuity.com; or faxing it to 920.458.1618. This coverage will not be available to you again until your next renewal.

Premium information for adding this coverage is shown in the attached Terrorism Premium Information page(s). If you choose to add the coverage at this time, we will update your current premium payment plan accordingly.

Please contact your agent if you have any questions regarding this law.

I hereby request coverage for terrorist acts as defined in the Terrorism Risk Insurance Act.

First Named Insured's Signature

Date

Policyholder Disclosure Notice of Terrorism Insurance Coverage

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses resulting from acts of terrorism, *as defined in Section 102(1) of the Act*: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury - in consultation with the Secretary of Homeland Security, and the Attorney General of the United States - to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING ON JANUARY 1, 2018; 81% BEGINNING ON JANUARY 1, 2019; and 80% BEGINNING ON JANUARY 1, 2020, OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS UNITED STATES GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

At your request, the attached policy **excludes** coverage, where permitted, for terrorism as described in the Act. Any premium charge for terrorism coverage is based on the premiums for each coverage part included in your policy that qualifies for coverage under the Act and the location of any property covered under the policy. The attached Terrorism Premium Information sheet provides complete information for developing this premium.



Terrorism Premium Information Nevada

The premium for terrorism coverage, as defined in Section 102(1) of the Act, is based on the premiums for each coverage part included in your policy that qualifies for coverage under the Terrorism Risk Insurance Act and the location of any property covered under the policy. Refer to the attached Policyholder Disclosure Notice of Terrorism Insurance Coverage for a description of applicable provisions in the Act.

If your ACUTY policy contains the following coverage part:	The premium charge for terrorism insurance if you accept coverage under the Act is:
<ul style="list-style-type: none"> • Bis-Pak - Property Portion of Your Premium 	<ul style="list-style-type: none"> • 12% of the property premium applying in Clark County • 9% of the property premium applying in Washoe County • 6% of the property premium for all other locations
<ul style="list-style-type: none"> • Bis-Pak - Liability Portion of Your Premium 	<ul style="list-style-type: none"> • 1% of the liability premium applying to your policy
<ul style="list-style-type: none"> • Commercial Property and Commercial Inland Marine Coverage Parts 	<ul style="list-style-type: none"> • 12% of the premium applying in Clark County • 9% of the premium applying in Washoe County • 6% of the premium for all other locations
<ul style="list-style-type: none"> • Commercial General Liability and Commercial Excess Liability Coverage Parts 	<ul style="list-style-type: none"> • 1% of the premium applying to each of the coverage parts
<ul style="list-style-type: none"> • Workers' Compensation * 	<ul style="list-style-type: none"> • The premium charge is \$.01 for each \$100 of payroll for all classes.

* Workers' Compensation coverage automatically applies to loss caused by terrorism. You are **not** permitted to reject this coverage.



**SPECIALIZING IN
PAINTING**

**COMMON POLICY
DECLARATIONS**

First Named Insured and Address:

FINN STRIPING LLC
6821 CONESTOGA PKWY
PAHRUMP NV 89048

Agency Name and Number:

8246-AB (702)638-0022
SAFEGUARD INSURANCE LLC
5225 S DURANGO DR
LAS VEGAS NV 89113

Policy Number: Z73479

Policy Period: Effective Date: 06-01-17
Expiration Date: 06-01-18
12:01 A.M. standard time at
your mailing address shown
in the declarations

This is not a bill. If premium is due, a billing notice will be sent separately.


COVERAGE

Your coverage consists of the following lines of insurance for which a premium is indicated.
This premium may be subject to adjustment.

Bis-Pak	898.00
Total Advance Premium	\$ 898.00

A portion of the premium paid for this policy is attributable to the general premium tax.

06-01-17
Countersignature Date


Countersignature/Authorized Representative


Secretary


President

MUTUAL POLICY CONDITIONS

Every person, co-partnership or corporation insured by the company shall be a member of it and shall have one vote. The annual meeting of the members shall be held on the first Tuesday in March at 1:30 P.M. of each year, at the corporate headquarters of the company in Sheboygan, Wisconsin. Notice printed in each policy shall be sufficient as to the time and place of said meeting.

The Named Insured, upon termination of this policy, shall participate in the distribution of dividends, if any are declared, and fixed as determined by the directors in accordance with law.

This policy is nonassessable and the liability of the Named Insured to the company is limited to the payment of the premium herein provided.

Corporate Headquarters Address

ACUITY
2800 South Taylor Drive
PO Box 58
Sheboygan, Wisconsin 53082-0058
(800) 242-7666

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**BIS-PAK
COVERAGE PART**

Declarations

First Named Insured and Address:

FINN STRIPING LLC
6821 CONESTOGA PKWY
PAHRUMP NV 89048

Agency Name and Number:

SAFEGUARD INSURANCE LLC
8246-AB

Policy Number: Z73479

Policy Period: Effective Date: 06-01-17

Expiration Date: 06-01-18

12:01 A.M. standard time at
your mailing address shown
in the declarations

In return for the payment of the premium and subject to
all the terms of the policy, we agree to provide the
insurance coverage as stated in the same.

COVERAGE FORMS AND ENDORSEMENTS APPLICABLE TO THIS COVERAGE PART

Form Number	Form Title	Premium
CB-0006 (08-15)	Bis-Pak Business Liability and Medical Expenses Coverage Form	\$
CB-0009 (09-04)	Bis-Pak Common Policy Conditions	
CB-1416 (01-10)	Snow Plow Products-Completed Operations Hazard Coverage	
CB-1504 (05-14)	Exclusion-Access of Confidential or Personal Info/Data with Limited BI	
CB-7068 (08-06)	Voluntary Property Damage - Bis-Pak	50.00
CB-7332 (05-13)	Additional Insured - Owners, Lessees or Contractors - Automatic Status	100.00
CB-7406 (06-15)	Exclusion - Unmanned Aircraft	
CB-7410 (08-15)	Civil Authority Changes	
CB-0002 (08-15)	Deluxe Bis-Pak Property Coverage Form	
CB-0188 (05-10)	Nevada Changes	
CB-0417 (01-10)	Employment-Related Practices Exclusion	
CB-0564 (01-15)	Conditional Exclusion of Terrorism (Relating to Disposition of Federal Act)	
CB-0577 (04-10)	Fungi or Bacteria Exclusion (Liability)	
CB-0703 (01-97)	Business Liability Coverage-Prop Damage Liability Deductible(Per Claim Basis)	
CB-7023 (09-04)	Contractors Endorsement - Accounts Receivable	
CB-7237 (08-12)	Exclusion - Habitational Exterior Finish Systems	
CB-7264 (04-10)	ACUITY Advantages - Liability Coverages	
CB-7292 (11-07)	Exclusion Of Multi-Family and Tract Housing Construction Operations	
CB-7297 (01-15)	Exclusion of Certified Acts of Terrorism	
IL-7012 (03-14)	Asbestos Exclusion	
Advance Endorsement Premium		\$ 150.00

Policy Number: Z73479
 Effective Date: 06-01-17

PREMIUM SUMMARY

Advance Premium	\$ 748.00
Advance Endorsement Premium	150.00
Total Advance Premium	\$ 898.00

The Total Advance Premium shown above is based on the exposures you anticipated at the time this coverage part began. We will audit this coverage part in accordance with the Bis-Pak Liability and Medical Expenses General Condition entitled Premium Audit - Business Liability at the close of the audit period.

PROPERTY COVERAGES PROVIDED

Form: None - Contractors' Plan

DESCRIPTION OF PREMISES

Premises Number	Building Number	Construction, Occupancy and Location
001	001	SIGN PAINTING OR LETTERING - ON BUILDINGS OR STRUCTURES 6821 CONESTOGA PKWY PAHRUMP NV

LIABILITY COVERAGES PROVIDED

Coverage Item	Limit of Insurance
Liability and Medical Expenses (Each Occurrence)	\$ 1,000,000
Medical Expenses (Any One Person)	5,000
Damage to Premises Rented to You	100,000
Products-Completed Operations Aggregate Limit	2,000,000
General Aggregate Limit (Other Than Products-Completed Operations)	2,000,000

Premises Number	Building Number	Classification Description	Class Code	Premium Basis ¹	Rate
001	001	Painting - Exterior - Buildings or Structures - Three Stories or Less in Height - NOC	98304	29,300 PA	25.52

¹ PA = Payroll - Rate Applies Per \$1,000 of Payroll

OPTIONAL COVERAGES PROVIDED

Policy Number: Z73479
Effective Date: 06-01-17

Coverage Item	Limit of Insurance
Voluntary Property Damage	See CB-7068
ACUITY Advantages - Liability Coverages	See CB-7264

Coverage Item	Premises Number	Building Number	Limit of Insurance
Accounts Receivable	001	001	\$ 1,000

BIS-PAK PLAN

Contractors

AUDIT PERIOD

Annual

ADDITIONAL NAMED INSUREDS

WHO IS AN INSURED includes the following Additional Named Insureds:

NONE

FIRST NAMED INSURED IS:

LTD LIAB COMPANY (LLC)

BIS-PAK BUSINESS LIABILITY AND MEDICAL EXPENSES COVERAGE FORM

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BIS-PAK BUSINESS LIABILITY AND MEDICAL EXPENSES COVERAGE FORM

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

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we," "us" and "our" refer to the Company providing this insurance.

The word "insured" means any person or organization qualifying as such under the Who Is An Insured Section of this policy.

Other words and phrases that appear in italics have special meaning. Refer to the Liability and Medical Expenses Definitions Section.

LIABILITY AND MEDICAL EXPENSES COVERAGES

1. Business Liability

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

- (1) The amount we will pay for damages is limited as described in the Liability and Medical Expenses Limits of Insurance Section; and
- (2) Our right and duty to defend ends when we have used up the applicable Limit of Insurance in the payment of judgments, settlements or medical expenses.

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

- b. This insurance applies:

- (1) To *bodily injury* or *property damage* only if:
 - (a) The *bodily injury* or *property damage* is caused by an *occurrence* that takes place in the *coverage territory*; and
 - (b) The *bodily injury* or *property damage* occurs during the policy period.
 - (c) Prior to the policy period, no insured listed under item 1 of Who Is An Insured and no *employee* authorized by you to give or receive notice of an *occurrence* or claim, knew that the *bodily injury* or *prop-*

erty damage had occurred, in whole or in part. If such a listed insured or authorized *employee* knew, prior to the policy period, that the *bodily injury* or *property damage* occurred, then any continuation, change or resumption of such *bodily injury* or *property damage* during or after the policy period will be deemed to have been known before the policy period.

- (2) To *personal and advertising injury* caused by an offense arising out of your business, but only if the offense was committed in the *coverage territory* during the policy period.

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

- d. *Bodily injury* or *property damage* will be deemed to have been known to have occurred at the earliest time when any insured listed under item 1 of Who Is An Insured or any *employee* authorized by you to give or receive notice of an *occurrence* or claim:

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

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

f. Coverage Extension - Supplementary Payments

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

- (a) All expenses we incur.
- (b) Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which Business Liability Coverage for *bodily injury* applies. We do not have to furnish these bonds.
- (c) The cost of bonds to release attachments, but only for bond amounts within our Limit of Insurance. We do not have to furnish these bonds.
- (d) All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or *suit*, including actual loss of earnings up to \$250 a day because of time off from work.
- (e) All court costs taxed against the insured in the *suit*. However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
- (f) Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- (g) All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within our Limit of Insurance.

These payments will not reduce the limit of liability.

(2) If we defend an insured against a *suit* and an indemnitee of the insured is also named as a party to the *suit*, we will defend that indemnitee if all of the following conditions are met:

- (a) The *suit* against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an *insured contract*;
- (b) This insurance applies to such liability assumed by the insured;

(c) The obligation to defend, or the cost of the defense of, that indemnitee has also been assumed by the insured in the same *insured contract*;

(d) The allegations in the *suit* and the information we know about the *occurrence* are such that no conflict appears to exist between the interests of the insured and the interest of the indemnitee;

(e) The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such *suit* and agree that we can assign the same counsel to defend the insured and the indemnitee; and

(f) The indemnitee:

(i) Agrees in writing to:

- i. Cooperate with us in the investigation, settlement or defense of the *suit*;
- ii. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the *suit*;
- iii. Notify any other insurer whose coverage is available to the indemnitee; and
- iv. Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and

(ii) Provides us with written authorization to:

- i. Obtain records and other information related to the *suit*; and
- ii. Conduct and control the defense of the indemnitee in such *suit*.

(3) So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of paragraph 1b(2) of Exclusions, such payments will not be deemed to be damages for *bodily injury* and *property damage* and will not reduce the limits of insurance.

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

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

2. Medical Expenses

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

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

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

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

EXCLUSIONS

1. Applicable to Business Liability Coverage

This Insurance does not apply to:

- a. Expected or Intended Injury

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

- b. Contractual Liability

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

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an *insured contract*, provided the *bodily injury* or *property damage* occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an *insured contract*, reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of *bodily injury* or *property damage*, provided:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same *insured contract*; and

- (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

- c. Liquor Liability

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

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

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing of alcoholic beverages.

- d. Workers' Compensation and Similar Laws

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

- e. Employers' Liability

Bodily injury to:

- (1) An employee of the insured arising out of and in the course of:

- (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that employee as a consequence of paragraph (1) above.

This exclusion applies:

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

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

f. Pollution

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

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

- (i) *Bodily injury* if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;

- (ii) *Bodily injury or property damage* for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or

- (iii) *Bodily injury or property damage* arising out of heat, smoke or fumes from a *hostile fire*;

- (b) At or from any premises, site or location which is or was at any

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

- (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any insured or any person or organization for whom you may be legally responsible; or

- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the *pollutants* are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:

- (i) *Bodily injury or property damage* arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of *mobile equipment* or its parts if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the fuels, lubricants or other operating fluids are intentionally discharged, dispersed or released, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent to be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor.

- (ii) *Bodily injury or property damage* sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or

- (iii) *Bodily injury or property damage* arising out of heat, smoke or fumes from a *hostile fire*.

- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, *pollutants*.
- (2) Any loss, cost or expense arising out of any:
 - (a) Request, demand or order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of *pollutants*; or
 - (b) Claim or *suit* by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of *pollutants*.

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

g. Aircraft, Auto or Watercraft

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

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

This exclusion does not apply to:

- (1) Watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - (a) Less than 51 feet long; and
 - (b) Not being used to carry persons or property for a charge.
- (3) Parking an *auto* on, or on the ways

next to premises you own or rent, provided the *auto* is not owned by or rented or loaned to you or the insured;

- (4) Liability assumed under any *insured contract* for the ownership, maintenance or use of aircraft or watercraft; or
- (5) *Bodily injury or property damage* arising out of:
 - (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of *mobile equipment* if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where it is licensed or principally garaged; or
 - (b) The operation of any of the following machinery or equipment:
 - (i) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - (ii) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

h. Mobile Equipment

Bodily injury or property damage arising out of:

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

i. War

Bodily injury, property damage or personal and advertising injury, however caused, arising, directly or indirectly, out of:

- (1) War, including undeclared 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 government authority in hindering or defending against any of these.

j. Professional Services

Bodily injury, property damage or personal and advertising injury due to rendering or failure to render any professional service. This includes but is not limited to:

- (1) Legal, accounting, advertising, counseling, consulting services or funeral home services;
- (2) Preparing, approving, or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications;
- (3) Supervisory, inspection or engineering services;
- (4) Medical, surgical, dental, x-ray or nursing services, treatment, advice or instruction;
- (5) Any health or therapeutic service, treatment, advice or instruction including but not limited to physiotherapy, massage, chiropody, or the operation or use of tanning booths or equipment;
- (6) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming;
- (7) Optometry or optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;
- (8) Body piercing services, barber and beauty shops;
- (9) Services in the practice of pharmacy, but this exclusion does not apply to an insured whose operations include those of a retail druggist or drugstore.
- (10) Services in connection with the selling, licensing, franchising or furnishing of your computer software including electronic data processing programs, designs, specifications, manuals and instructions.
- (11) Data processing services rendered by, or that should have been rendered by:
 - (a) The insured; or
 - (b) Any person or organization:
 - (i) For whose acts, errors or omissions the insured is legally responsible; or
 - (ii) From whom the insured assumed liability by reason of a contract or agreement.
- (12) The rendering of, or failure to render, electronic data processing, computer consulting or computer programming services, advice or instruction by:
 - (a) The insured; or

(b) Any person or organization:

- (i) For whose acts, errors or omissions the insured is legally responsible; or
- (ii) From whom the insured assumed liability by reason of a contract or agreement.

This exclusion applies even if the claims allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by an insured, if the *occurrence* which caused the *bodily injury* or *property damage*, or the offense which caused the *personal and advertising injury*, involved the rendering or failure to render of any professional service.

k. Damage to Property

Property damage to:

- (1) Property you own, rent or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the *property damage* arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of any insured;
- (5) That particular part of real property on which you or any contractor or subcontractor working directly or indirectly on your behalf is performing operations, if the *property damage* arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because *your work* was incorrectly performed on it.

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

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

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

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

l. Damage to Your Product

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

m. Damage to Your Work

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

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

n. Damage to Impaired Property or Property Not Physically Injured

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

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

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

o. Recall of Products, Work or Impaired Property

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

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

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

p. Personal and Advertising Injury

Personal and advertising injury:

- (1) Caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict *personal and advertising injury*;

- (2) Arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity;
- (3) Arising out of oral or written publication of material whose first publication took place before the beginning of the policy period;
- (4) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.
- (5) Arising out of a breach of contract, except an implied contract to use another's advertising idea in your *advertisement*;
- (6) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your *advertisement*;
- (7) Arising out of the wrong description of the price of goods, products or services stated in your *advertisement*;
- (8) Committed by an insured whose business is:
 - (a) Advertising, broadcasting, publishing or telecasting;
 - (b) Designing or determining content of websites for others; or
 - (c) An Internet search, access, content or service provider.

However, this exclusion does not apply to paragraphs a, b and c of Definition 14 *Personal and advertising injury* under Liability And Medical Expenses Definitions.

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

- (9) Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of *pollutants* at any time.
- (10) With respect to any loss, cost or expense arising out of any:
 - (a) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize or in any way responding to, or assessing the effects of *pollutants*.
 - (b) Claim or suit by or on behalf of a

governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing or in any way responding to, or assessing the effects of *pollutants*.

(11) Arising out of an electronic chatroom or bulletin board the insured hosts, owns or over which the insured exercises control.

(12) Arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your *advertisement*.

However, this exclusion does not apply to infringement, in your *advertisement*, of copyright, trade dress or slogan.

(13) Arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatags, or any other similar tactics to mislead another's potential customers.

q. Suntanning Operations

Bodily injury, personal and advertising injury or *property damage* arising out of the ownership, operation or use of any suntanning booth or suntanning device.

r. Lead

Bodily injury, property damage, personal and advertising injury arising out of the actual, alleged or threatened ingestion, inhalation, absorption, exposure or presence of lead in any form or from any source.

Coverage also does not apply to any loss, cost, expense, fine or penalty arising out of any:

(1) Request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, dispose of or in any way respond to or assess the effects of lead in any form; or

(2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, disposing of or in any way responding to or assessing the effects of lead in any form.

s. Electronic Data

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

As used in this exclusion, electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy discs, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.

t. Criminal Acts

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

u. Recording And Distribution Of Material Or Information In Violation Of Law

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

(1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or

(2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or

(3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or

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

Exclusions c, d, e, f, g, h, i, k, l, m, n, o and r do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate Damage To Premises Rented To You Limit of Insurance applies to this coverage as described in the Limits of Insurance Section of this Coverage Form.

2. Applicable to Medical Expenses Coverage

We will not pay expenses for *bodily injury*:

a. To any insured, except *volunteer workers*.

- b. To a person hired to do work for or on behalf of any insured or a tenant of any insured.
 - c. To a person injured on that part of premises you own or rent that the person normally occupies.
 - d. To a person, whether or not an *employee* of any insured, if benefits for the *bodily injury* are payable or must be provided under a workers' compensation or disability benefits law or a similar law.
 - e. To a person injured while practicing, instructing or participating in any physical exercises or games, sports or taking part in athletic contests.
 - f. Included within the *products-completed operations hazard*.
 - g. Excluded under Business Liability Coverage.
- 3. Applicable to Both Business Liability Coverage and Medical Expenses Coverage - Nuclear Energy Liability Exclusion**

This insurance does not apply:

- a. Under Business Liability Coverage, to *bodily injury* or *property damage*:
 - (1) With respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its Limit of Liability; or
 - (2) Resulting from the *hazardous properties* of *nuclear material* and with respect to which:
 - (a) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or
 - (b) The insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America or any agency thereof, under any agreement entered into by the United States of America or any agency thereof, with any person or organization.
- b. Under Medical Expenses Coverage, to expenses incurred with respect to *bodily injury* resulting from the *hazardous properties* of *nuclear material* and arising out of the operation of a *nuclear facility* by any person or organization.
- c. Under Business Liability Coverage, to *bodily*

injury or *property damage* resulting from the *hazardous properties* of *nuclear material*, if:

- (1) The *nuclear material*:
 - (a) Is at any *nuclear facility* owned by or operated by or on behalf of an insured; or
 - (b) Has been discharged or dispersed therefrom;
 - (2) The *nuclear material* is contained in *spent fuel* or *waste* at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or
 - (3) The *bodily injury* or *property damage* arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any *nuclear facility*, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to *property damage* to such *nuclear facility* and any property thereat.
- d. As used in this exclusion:
- "*Byproduct material*" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;
 - "*Hazardous properties*" include radioactive, toxic or explosive properties;
 - "*Nuclear facility*" means:
 - (1) Any *nuclear reactor*;
 - (2) Any equipment or device designed or used for:
 - (a) Separating the isotopes of uranium or plutonium;
 - (b) Processing or utilizing *spent fuel*; or
 - (c) Handling, processing or packaging *waste*;
 - (3) Any equipment or device used for the processing, fabricating or alloying of *special nuclear material* if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof or more than 250 grams of uranium 235;
 - (4) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of *waste*;
- and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for

such operations;

"*Nuclear material*" means *source material*, *special nuclear material* or *byproduct material*;

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

"*Property damage*" includes all forms of radioactive contamination of property;

"*Source material*" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"*Special nuclear material*" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"*Spent fuel*" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a *nuclear reactor*;

"*Waste*" means any waste material:

- (1) Containing *byproduct material* other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its *source material* content; and
- (2) Resulting from the operation by any person or organization of any *nuclear facility* included under paragraphs (1) and (2) of the definition of *nuclear facility*.

WHO IS AN INSURED

1. If you are designated in the Declarations as:

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

2. Each of the following is also an insured:

- a. Your *volunteer workers* only while performing duties related to the conduct of your business, or your *employees* other than either your *executive officers* (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your

business. However, none of these *employees* or *volunteer workers* are insureds for:

- (1) *Bodily injury* or *personal and advertising injury*:
 - (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a *co-employee* while in the course of his or her employment or performing duties related to the conduct of your business, or to your other *volunteer workers* while performing duties related to the conduct of your business;
 - (b) To the spouse, child, parent, brother or sister of that *co-employee* as a consequence of paragraph (1)(a) above;
 - (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in paragraphs (1)(a) or (b); or
 - (d) Arising out of his or her providing or failing to provide professional health care services. However, if you have *employees* who are pharmacists in your retail druggist or drugstore operation, they are insured with respect to their providing or failing to provide professional health care services; or
- (2) *Property damage* to property:
 - (a) Owned, occupied or used by; or
 - (b) Rented to, in the care, custody or control of, or over which physical

control is being exercised for any purpose by;

you, any of your *employees, volunteer workers*, any partner or member (if you are a partnership or joint venture) or any member (if you are a limited liability company).

- b. Any person (other than your *employee* or *volunteer worker*) or any organization while acting as your real estate manager.
- c. Any person or organization having proper temporary custody of your property if you die, but only:
 - (1) With respect to liability arising out of the maintenance or use of that property; and
 - (2) Until your legal representative has been appointed.
- d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this policy.

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

- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
- b. Coverage does not apply to *bodily injury* or *property damage* that occurred before you acquired or formed the organization; and
- c. Coverage does not apply to *personal and advertising injury* arising out of an offense committed before you acquired or formed the organization.

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

LIABILITY AND MEDICAL EXPENSES LIMITS OF INSURANCE

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

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

2. The most we will pay for the sum of all damages because of all:

- a. *Bodily injury, property damage* and medical expenses arising out of any one *occurrence*; and
- b. *Personal and advertising injury* sustained by any one person or organization;

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

3. The most we will pay under Business Liability Coverage for damages because of *property damage* to a premises while rented to you or in the case of a fire while rented to you or temporarily occupied by you with permission of the owner is the applicable Damage To Premises Rented To You Limit shown for that premises in the Declarations. For a premises temporarily occupied by you, the applicable limit will be the Damage To Premises Rented To You Limit shown in the Declarations.

4. Aggregate Limits

a. The Products-Completed Operations Aggregate Limit shown in the Declarations is the most we will pay for injury or damage under the *products-completed operations hazard* arising from all *occurrences* during the policy period.

b. The General Aggregate Limit shown in the Declarations is the most we will pay for the sum of all damages because of all:

(1) *Bodily injury, property damage* and medical expenses arising from all *occurrences* during the policy year. This limit applies separately to:

(a) Each location owned by or rented to you. A location is a premises involving the same or connecting lots, or a premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad; and

(b) Each of your projects away from a location owned by or rented to you; or

(2) *Personal and advertising injury* arising out of all offenses committed during the policy period.

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

deemed part of the last preceding period for pur-

poses of determining the Limits of Insurance.

LIABILITY AND MEDICAL EXPENSES GENERAL CONDITIONS

We have no duty to provide coverage under this Coverage Part unless you and any other involved insured have fully complied with the Conditions contained in this Coverage Part.

1. Bankruptcy

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

2. Duties in the Event of Occurrence, Offense, Claim or Suit

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

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

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

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

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

c. You and any other involved insured must:

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

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

3. Legal Action Against Us

No person or organization has a right under this policy:

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

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

4. Separation of Insureds

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

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

5. Premium Audit - Business Liability

a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.

b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. If a premium payment is due, we will send notice to the First Named Insured. The due date for audit premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy term is greater than the earned premium, we will return the excess to the First Named Insured.

c. The First Named Insured must keep records of the information we need for premium computation and send us copies at such times as we may request.

LIABILITY AND MEDICAL EXPENSES DEFINITIONS

1. **"Advertisement"** means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
 - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - b. Regarding websites, only that part of a website that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
2. **"Auto"** means:
 - a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
 - b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where it is licensed or principally garaged.However, *auto* does not include *mobile equipment*.
3. **"Bodily injury"** means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
4. **"Coverage territory"** means:
 - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
 - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in paragraph a above; or
 - c. All parts of the world if:

The injury or damage arises out of:

 - (1) Goods or products made or sold by you in the territory described in a above; or
 - (2) The activities of a person whose home is in the territory described in a above, but is away for a short time on your business; and
 - (3) **"Personal and advertising injury"** offenses that take place through the Internet or similar electronic means of communication;provided the insured's responsibility to pay damages is determined in a *suit* on the merits in the territory described in a above or in a settlement we agree to.
5. **"Employee"** includes a *leased worker*. *Employee* does not include a *temporary worker*.
6. **"Executive officer"** means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
7. **"Hostile fire"** means one which becomes uncontrollable or breaks out from where it was intended to be.
8. **"Impaired property"** means tangible property, other than *your product* or *your work*, that cannot be used or is less useful because:
 - a. It incorporates *your product* or *your work* that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement;if such property can be restored to use by:
 - a. The repair, replacement, adjustment or removal of *your product* or *your work*; or
 - b. Your fulfilling the terms of the contract or agreement.
9. **"Insured contract"** means:
 - a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an *insured contract*.
 - b. A sidetrack agreement;
 - c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
 - d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
 - e. An elevator maintenance agreement; or
 - f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for *bodily injury* or *property damage* to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

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

 - (1) That indemnifies a railroad for *bodily injury* or *property damage* arising out of

construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;

- (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection or engineering services.

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

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

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

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

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

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, on which are permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or

- (2) Road construction or resurfacing equipment such as graders, scrapers or rollers.

e. Vehicles not described in a, b, c or d above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

- (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
- (2) Cherry pickers and similar devices used to raise or lower workers.

f. Vehicles not described in a, b, c or d above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not *mobile equipment* but will be considered *autos*:

- (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning.
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, *mobile equipment* does not include land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where they are licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law or motor vehicle registration law are considered *autos*.

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

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

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, by or on behalf of its owner, landlord or lessor;
- d. Oral or written publication, in any manner, of material that slanders or libels a person or

organization or disparages a person's or organization's goods, products or services;

- e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
 - f. The use of another's advertising idea in your *advertisement*; or
 - g. Infringing upon another's copyright, trade dress or slogan in your *advertisement*.
15. "*Pollutants*" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

16. "*Products-completed operations hazard*":
- a. Includes all *bodily injury* and *property damage* occurring away from premises you own or rent and arising out of *your product* or *your work* except:
 - (1) Products that are still in your physical possession; or
 - (2) Work that has not yet been completed or abandoned. However, *your work* will be deemed completed at the earliest of the following times:
 - (a) When all of the work called for in your contract has been completed.
 - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
 - (c) When that part of the work done at the job site has been put to its intended use by any other person or organization other than another contractor or subcontractor working on the same project.

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

The *bodily injury* or *property damage* must occur away from premises you own or rent, unless your business includes the selling, handling or distribution of *your product* for consumption on premises you own or rent.

- b. Does not include *bodily injury* or *property damage* arising out of:
 - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the *loading or unloading* of that vehicle by any insured; or
 - (2) The existence of tools, uninstalled equipment or abandoned or unused materials.

17. "*Property damage*" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the *occurrence* that caused it.

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

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

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

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

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

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

21. "*Your product*" means:

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

Your product includes:

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

Your product does not include vending machines or other property rented to or located for the use of others but not sold.

22. "*Your work*" means:

- a. Work or operations performed by you or on

your behalf; and

- b. Materials, parts or equipment furnished in connection with such work or operations.

Your work includes:

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

DELUXE BIS-PAK PROPERTY COVERAGE FORM

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DELUXE BIS-PAK PROPERTY COVERAGE FORM

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

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declara-

tions. The words "we," "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in italics have special meaning. Refer to the Property Definitions Section.

PROPERTY COVERAGES

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

1. Covered Property

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

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

- (1) Completed additions;
- (2) Garages, storage buildings, appurtenant structures usual to your occupancy;
- (3) Fixtures, including outdoor fixtures;
- (4) Permanently installed:
 - (a) Machinery; and
 - (b) Equipment;
- (5) Your personal property in apartments, rooms or common areas furnished by you as landlord;
- (6) Personal property owned by you that is used to maintain or service the buildings, structures or the premises, including:
 - (a) Fire extinguishing equipment;
 - (b) Outdoor furniture;
 - (c) Floor coverings; and
 - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering.
- (7) If not covered by other insurance:
 - (a) Additions under construction, alterations and repairs to the buildings or structures; and
 - (b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises,

used for making additions, alterations or repairs to the buildings or structures.

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

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

2. Property Not Covered

Covered Property does not include:

- a.** Aircraft, automobiles, motortrucks and other vehicles subject to motor vehicle registration;
- b.** *Money* or *securities*, except as provided in the:
 - (1) Money and Securities Coverage Extension; or
 - (2) Employee Dishonesty Optional Coverage.
- c.** Contraband or property in the course of illegal transportation or trade;
- d.** Land (including land on which the property is located), water, growing crops or lawns;

- e. Outdoor fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, signs (other than signs attached to buildings), trees, shrubs or plants (other than *stock* of trees, shrubs or plants), all except as provided in the:
 - (1) Outdoor Property Coverage Extension; or
 - (2) Outdoor Signs Optional Coverage;
- f. Watercraft (including motors, equipment and accessories) while afloat;
- g. Accounts, bills, food stamps, other evidences of debt, accounts receivable or *valuable papers and records*; except as otherwise provided in this policy;
- h. *Computer(s)* which are permanently installed or designed to be permanently installed in any aircraft, watercraft, motortruck or other vehicle subject to motor vehicle registration. This paragraph does not apply to *computer(s)* while held as *stock*;
- i. *Electronic Data*, except as provided under Additional Coverages - Electronic Data. This paragraph i does not apply to your *stock* of prepackaged software.
- j. Animals, unless owned by others and boarded by you, or if owned by you, or only as *stock* while inside of buildings.

3. Covered Causes of Loss

Risks of Direct Physical Loss unless the loss is:

- a. Excluded in Property Exclusions; or
- b. Limited in paragraph 4, Limitations; that follow.

4. Limitations

- a. We will not pay for loss of or damage to:
 - (1) Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
 - (2) Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
 - (3) Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what hap-

pened to the property. This limitation does not apply to the Extension of Coverage for Money and Securities.

- (4) Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
 - (5) The interior of any building or structure or the property inside any building or structure caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
 - (a) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which rain, snow, sleet, ice, sand or dust enters; or
 - (b) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.
 - b. We will not pay for loss of or damage to the following types of property unless caused by the *specified causes of loss* or building glass breakage:
 - (1) Animals, and then only if they are killed or their destruction is made necessary.
 - (2) Fragile articles such as glassware, statuary, marble, chinaware and porcelain, if broken. This restriction does not apply to:
 - (a) Glass that is part of the exterior or interior of a building or structure;
 - (b) Containers of property held for sale; or
 - (c) Photographic or scientific instrument lenses.
 - c. For loss or damage by theft, the following types of property are covered only up to the limits shown:
 - (1) \$2,500 for furs, fur garments and garments trimmed with fur.
 - (2) \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
 - (3) \$2,500 for patterns, dies, molds and forms.
- ### 5. Additional Coverages
- a. **Debris Removal**
 - (1) Subject to paragraphs (3) and (4), we will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss

that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.

- (2) Debris removal does not apply to costs to:
- (a) Extract *pollutants* from land or water; or
 - (b) Remove, restore or replace polluted land or water.
- (3) Subject to the exceptions in paragraph (4) below, the following provisions apply:
- (a) The most that we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.
 - (b) Subject to paragraph (a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.
- (4) We will pay up to an additional \$10,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:
- (a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
 - (b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.
- Therefore, if paragraphs (4)(a) and/or (4)(b) apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$10,000.

(5) Examples

Example #1

Limit of Insurance	\$90,000
Amount of Deductible	\$500
Amount of Loss	\$50,000

Amount of Loss Payable	\$49,500
	(\$50,000 - \$500)
Debris Removal Expense	\$10,000
Debris Removal Expense Payable	\$10,000
	(\$10,000 is 20% of \$50,000)

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

Example #2

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

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

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

b. Pollutant Clean Up and Removal

We will pay your expense to extract *pollutants* from land or water at the described premises if the discharge, dispersal, seep-

age, 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 within 180 days of the date on which the Covered Cause of Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of *pollutants*. But we will pay for testing which is performed in the course of extracting the *pollutants* from the land or water.

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

c. Preservation of Property

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

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

We will not pay for any loss or damage under this Additional Coverage if the Covered Property was moved from the described premises to preserve it from loss or damage by a cause of loss that is not a Covered Cause of Loss.

d. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$2,500, unless a different limit is shown in the Declarations, for your liability for fire department service charges:

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

e. Collapse

The coverage provided under this Additional Coverage - Collapse applies only to an abrupt collapse as described and limited in paragraphs e(1) through e(7).

- (1) For the purpose of this Additional Coverage - Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for

its intended purpose.

- (2) We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this policy or that contains Covered Property insured under this policy, if such collapse is caused by one or more of the following:
 - (a) Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
 - (b) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
 - (c) Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation.
 - (d) Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:
 - (i) A cause of loss listed in paragraph (2)(a) or (2)(b);
 - (ii) One or more of the *specified causes of loss*;
 - (iii) Breakage of building glass;
 - (iv) Weight of people or personal property; or
 - (v) Weight of rain that collects on a roof.
- (3) This Additional Coverage - Collapse does **not** apply to:
 - (a) A building or any part of a building that is in danger of falling down or caving in;
 - (b) A part of a building that is standing, even if it has separated from another part of the building; or
 - (c) A building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
- (4) With respect to the following property:
 - (a) Awnings;
 - (b) Gutters and downspouts;
 - (c) Yard fixtures;

- (d) Outdoor swimming pools;
- (e) Piers, wharves and docks;
- (f) Beach or diving platforms or appurtenances;
- (g) Retaining walls; and
- (h) Walks, roadways and other paved surfaces;

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

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

The coverage stated in this paragraph (5) does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

- (6) This Additional Coverage - Collapse does not apply to personal property that has not abruptly fallen down or caved in, even if the personal property shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
- (7) This Additional Coverage - Collapse will not increase the Limits of Insurance provided in this policy.
- (8) The term Covered Cause of Loss includes the Additional Coverage - Collapse as described and limited in paragraphs e(1) through e(7).

f. Water, Other Liquids, Powder or Molten Material Damage

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material occurs, we will also pay the cost to tear out and replace any part of

the building or structure to repair damage to the system or appliance from which the water or other substance escapes.

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

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

g. Business Income and Extra Expense

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

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

- (a) The portion of the building which you rent, lease or occupy; and
- (b) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.

- (2) Business income means the:
 - (a) Net income (Net Profit or Loss before income taxes) that would have been earned or incurred if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses; and
 - (b) Continuing normal operating expenses incurred, including payroll.
- (3) We will pay necessary Extra Expense you incur during the *period of restoration* that you would not have incurred if

there had been no direct physical loss or damage to property at the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of the site at which the described premises are located.

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

- (a) The portion of the building which you rent, lease or occupy; and
 - (b) Any area within the building or on the site at which the described premises are located, if that area services, or is used to gain access to, the described premises.
- (4) Extra Expense means expense incurred:
- (a) To avoid or minimize the suspension of business and to continue *operations*:
 - (i) At the described premises; or
 - (ii) At replacement premises or at temporary locations, including relocation expenses, and costs to equip and operate the replacement or temporary locations.
 - (b) To minimize the suspension of business if you cannot continue *operations*.
 - (c) To:
 - (i) Repair or replace any property; or
 - (ii) Research, replace or restore the lost information on damaged *valuable papers and records*;to the extent it reduces the amount of loss that otherwise would have been payable under this Additional Coverage.
- (5) We will only pay for Loss of Business Income or Extra Expense that you sustain during the *period of restoration* and that occurs within 12 consecutive months after the date of direct physical loss or damage. Items (1) through (5) of this Additional Coverage are not subject to the Limits of Insurance.
- (6) Extended Business Income. 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:

- (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:
 - (i) The date you could restore your *operations*, with reasonable speed, to the level which would generate the Business Income amount that would have existed if no direct physical loss or damage had occurred; or
 - (ii) 30 consecutive days after the date determined in (a) 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.

- (7) With respect to the coverage provided in this Additional Coverage, suspension means:
- (a) The partial slowdown or complete cessation of your business activities; or
 - (b) That a part or all of the described premises is rendered untenable, if coverage for Business Income applies.
- (8) This Additional Coverage is not subject to the Limits of Insurance.

h. Civil Authority

When a Covered Cause of Loss causes damage to property other than property at the described premises, we will pay for the actual loss of Business Income you sustain and necessary Extra Expense caused by action of civil authority that prohibits access to the described premises, provided that both of the following apply:

- (1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within that area but are not more than one mile from the damaged property; and

- (2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Civil Authority coverage for Business Income will begin 72 hours after the time of the first action of civil authority that prohibits access to the described premises and will apply for a period of up to four consecutive weeks from the date on which such coverage began.

Civil Authority coverage for necessary Extra Expense will begin immediately after the time of the first action of civil authority that prohibits access to the described premises and will end:

- (1) Four consecutive weeks after the date of that action; or
- (2) When your Civil Authority coverage for Business Income ends;

whichever is later.

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

i. Money Orders and Counterfeit Money

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

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

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

j. Forgery and Alteration

- (1) We will pay for loss resulting directly from forgery or alteration of, any check, draft, promissory note, bill of exchange or similar written promise of payment in *money*, that you or your agent has issued, or that was issued by someone who impersonates you or your agent.
- (2) If you are sued for refusing to pay the check, draft, promissory note, bill of exchange or similar written promise of payment in *money*, on the basis that it has been forged or altered, and you

have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur in that defense.

- (3) For the purpose of this coverage, check includes a substitute check as defined in the Check Clearing for the 21st Century Act, and will be treated the same as the original it replaced.
- (4) The most we will pay for any loss, including legal expenses, under this Additional Coverage is \$2,500, unless a higher Limit of Insurance is shown in the Declarations.

k. Increased Cost of Construction

- (1) This Additional Coverage applies only to buildings insured on a replacement cost basis.
- (2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with enforcement of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in k(3) through k(9) of this Additional Coverage.
- (3) The ordinance or law referred to in k(2) of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises, and is in force at the time of loss.
- (4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:
 - (a) You are required to comply with before the loss, even when the building was undamaged; and
 - (b) You failed to comply with.
- (5) Under this Additional Coverage, we will not pay for:
 - (a) The enforcement of any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by *pollutants* or due to the presence, growth, proliferation, spread or any activity of *fungi*, wet rot or dry rot; or
 - (b) Any costs associated with the enforcement of an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neu-

tralize, or in any way respond to or assess the effects of *pollutants*, *fungi*, wet rot or dry rot.

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

The amount payable under this Additional Coverage is additional insurance.

- (7) With respect to this Additional Coverage:

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

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

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

- (8) This Additional Coverage is not subject to the terms of the Ordinance or Law Exclusion, to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.

- (9) The costs addressed in the Loss Payment and Valuation Property Loss Condition in this Coverage Form do not include the increased cost attributable to enforcement of an ordinance or law. The amount payable under this Additional Coverage, as stated in k(6) of this Additional Coverage, is not subject to such limitation.

I. Business Income From Dependent Properties

- (1) We will pay for the actual loss of Business Income you sustain due to physical loss or damage at the premises of a dependent property caused by or resulting from any Covered Cause of Loss.

However, this Additional Coverage does not apply when the only loss to dependent property is loss or damage to *electronic data*, including destruction or corruption of *electronic data*. If the dependent property sustains loss or damage to *electronic data* and other property, coverage under this Additional Coverage will not continue once the other property is repaired, rebuilt or replaced.

The most we will pay under this Additional Coverage is \$5,000 unless a higher Limit of Insurance is indicated in the Declarations.

- (2) We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume *operations*, in whole or in part, by using any other available:

- (a) Source of materials; or
- (b) Outlet for your products.

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

- (4) Dependent property means property owned by others whom you depend on to:

- (a) Deliver materials or services to you, or to others for your account. But services does not mean water, communication or power supply services;
- (b) Accept your products or services;
- (c) Manufacture your products for delivery to your customers under contract for sale; or
- (d) Attract customers to your business.

The dependent property must be located in the coverage territory of this policy.

- (5) The coverage period for Business Income under this Additional Coverage:

- (a) Begins 72 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the premises of the dependent property; and
- (b) Ends on the date when the property at the premises of the depen-

dent property should be repaired, rebuilt or replaced with reasonable speed and similar quality.

- (6) The Business Income coverage period, as stated in paragraph (5), does not include any increased period required due to the enforcement of any ordinance or law that:
 - (a) Regulates the construction, use or repair, or requires the tearing down of any property; or
 - (b) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of *pollutants*.

The expiration date of this policy will not reduce the Business Income coverage period.

- (7) The definition of Business Income contained in the Business Income Additional Coverage also applies to this Business Income From Dependent Properties Additional Coverage.

m. Glass Expenses

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

n. Fire Extinguisher Systems Recharge Expense

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

o. Water Backup of Sewers or Drains - Computers

- (1) We will pay for loss or damage to *computer(s)* and *electronic media and records* caused by or resulting from water that backs up, or overflows from a sewer, drain or sump.
- (2) Property Exclusions item g(3) does not apply to this Additional Coverage.

p. Electronic Data

- (1) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore *electronic data* which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that *electronic data* is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the *electronic data* was stored, with blank media of substantially identical type.
- (2) The Covered Causes of Loss applicable to Business Personal Property include a computer virus, harmful code or similar instruction introduced into or enacted on a computer system (including *electronic data*) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including *electronic data*) by any employee, including a temporary or leased employee, or by an entity retained by you, or for you, to inspect, design, install, modify, maintain, repair or replace that system.
- (3) The most we will pay under this Additional Coverage - Electronic Data for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved, is \$10,000, unless a higher Limit of Insurance is shown in the Declarations. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in, but not after, that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

q. Interruption of Computer Operations

- (1) Subject to all provisions of this Additional Coverage, you may extend the insurance that applies to Business Income and Extra Expense to apply to a suspension of *operations* caused by an interruption in computer operations due to destruction or corruption of *electronic data* due to a Covered Cause of Loss.
- (2) With respect to the coverage provided under this Additional Coverage, the Covered Causes of Loss are subject to the following:
 - (a) Coverage under this Additional Coverage - Interruption of Computer Operations is limited to the *specified causes of loss* and Collapse.
 - (b) If the Deluxe Bis-Pak Property Coverage Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage.
 - (c) The Covered Causes of Loss include a computer virus, harmful code or similar instruction introduced into or enacted on a computer system (including *electronic data*) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including *electronic data*) by any employee, including a temporary or leased employee, or by an entity retained by you, or for you, to inspect, design, install, modify, maintain, repair or replace that system.
- (3) The most we will pay under this Additional Coverage - Interruption of Computer Operations for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved, is \$10,000, unless a higher Limit of Insurance is shown in the Declarations. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and con-

tinues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.

- (4) This Additional Coverage - Interruption of Computer Operations does not apply to loss sustained or expense incurred after the end of the *period of restoration* even if the amount of insurance stated in (3) above has not been exhausted.
- (5) Coverage for Business Income does not apply when a suspension of *operations* is caused by destruction or corruption of *electronic data*, or any loss or damage to *electronic data*, except as provided under paragraphs (1) through (4) of this Additional Coverage.
- (6) Coverage for Extra Expense does not apply when action is taken to avoid or minimize a suspension of *operations* caused by destruction or corruption of *electronic data*, or any loss or damage to *electronic data*, except as provided under paragraphs (1) through (4) of this Additional Coverage.

r. Limited Coverage for *Fungi*, Wet Rot Or Dry Rot

- (1) The coverage described in paragraphs r(2) and r(6) only applies when the *fungi*, wet rot or dry rot are the result of one or more of the following causes that occur during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.
 - (a) A *specified cause of loss* other than fire or lightning; or
 - (b) Flood, if the Flood Damage Endorsement applies to the affected premises.
- (2) We will pay for loss or damage by *fungi*, wet rot or dry rot. As used in this Limited Coverage, the term loss or damage means:
 - (a) Direct physical loss or damage to Covered Property caused by *fungi*, wet rot or dry rot, including the cost or removal of the *fungi*, wet rot or dry rot;
 - (b) The cost to tear out and replace any part of the building or other property as needed to gain access to the *fungi*, wet rot or dry rot; and
 - (c) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a rea-

son to believe that *fungi*, wet rot or dry rot are present.

- (3) The coverage described under this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of *specified causes of loss* (other than fire or lightning) and flood which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in *fungi*, wet rot or dry rot, we will not pay more than the total of \$15,000 even if the *fungi*, wet rot or dry rot continue to be present or active, or recur, in a later policy period.
- (4) The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by *fungi*, wet rot or dry rot, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

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

- (5) The terms of this Limited Coverage do not increase or reduce the coverage provided under the Water Damage, Other Liquids, Powder or Molten Material Damage or Collapse Additional Coverages.
- (6) The following applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the suspension of *operations* satisfies all the terms and conditions of the applicable Business Income and/or Extra Expense Additional Coverage.
 - (a) If the loss which resulted in *fungi*, wet rot or dry rot does not in itself necessitate a suspension of *operations*, but such suspension is necessary due to loss or damage to property caused by *fungi*, wet rot or dry rot, then our payment under the Business Income and/or Extra Expense is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
 - (b) If a covered suspension of *operations* was caused by loss or damage other than *fungi*, wet rot or dry rot, but remediation of *fungi*, wet rot or dry rot prolongs the *period of restoration*, we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the *period of restoration*), but such coverage is limited to 30 days. The days need not be consecutive.

PROPERTY EXTENSIONS OF COVERAGE

In addition to the Limits of Insurance, you may extend the insurance provided by this policy as provided below.

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

1. Newly Acquired or Constructed Property

a. Buildings

You may extend the insurance that applies to Buildings to apply to:

- (1) Your new buildings or new additions, while being built on the described premises; and
- (2) Buildings you acquire at locations, other than the described premises, intended for:
 - (a) Similar use as the building described in the Declarations; or

- (b) Use as a warehouse.

The most we will pay for loss or damage under this Extension is \$500,000 for each building.

b. Business Personal Property

If this policy covers Business Personal Property, you may extend that insurance to apply to:

- (1) Business Personal Property, including such property that you newly acquire, at any location you acquire;
- (2) Business Personal Property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations; or
- (3) Business Personal Property that you newly acquire, located at the described premises.

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

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

c. Period Of Coverage

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

- (1) This policy expires;
- (2) 30 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (3) You report values to us.

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

2. Personal Effects and Property of Others

a. You may extend the insurance that applies to Business Personal Property to apply to:

- (1) Your personal effects meaning personal property owned by you, your officers, your partners or *members*, your *managers* or your employees. This Extension does not apply to loss or damage by theft or to tools or equipment used in your business.
- (2) Personal property in your care, custody or control belonging to other than you, your officers, your partners or *members*, your *managers* or your employees.

b. The most we will pay for loss or damage under this Extension is \$5,000 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

3. Property Off-Premises

a. You may extend the insurance provided by this policy to apply to your Covered Property, other than *money* and *securities*, *valuable papers and records* or accounts receivable, while it is in the course of transit or temporarily at a premises you do not own, lease or operate. The most we will pay for loss or damage under this Extension is \$10,000. This Extension does not apply to Covered Property in or on a vehicle.

b. However, under this Extension, we will pay for loss or damage to *computer(s)* up to the Business Personal Property Limit shown in the Declarations.

4. Property in Transit

You may extend the insurance that applies to Business Personal Property to apply to your personal property in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.

The most we will pay for loss or damage under this Extension is \$10,000. However, under this Extension, we will pay for loss or damage to *computer(s)* up to the Business Personal Property Limit shown in the Declarations.

5. Outdoor Property

a. You may extend the insurance provided by this Coverage Form to apply to 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. Loss or damage must be caused by or result from any of the following causes of loss:

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

The most we will pay for loss or damage under this Extension is \$2,500 unless a higher Limit of Insurance for Outdoor Property is shown in the Declarations, but not more than \$1,000 for any one tree, shrub or plant.

6. Valuable Papers and Records

a. You may extend the insurance that applies to Business Personal Property to apply to direct physical loss or damage to *valuable papers and records* that you own, or that are in your care, custody or control, caused by or resulting from a Covered Cause of Loss. This Coverage Extension includes the cost to research, replace or restore lost information on *valuable papers and records* for which duplicates do not exist.

b. This Coverage Extension does not apply to:

- (1) Property held as samples or for delivery after sale; and
- (2) Property in storage away from the premises shown in the Declarations.

c. The most we will pay under this Coverage Extension for loss or damage to *valuable papers and records* in any one occurrence at the described premises is \$10,000 unless a higher Limit of Insurance for *Valuable Papers and Records* is shown in the Declarations.

For *valuable papers and records* not at the described premises, the most we will pay is \$5,000.

- d. Loss or damage to *valuable papers and records* will be valued at the cost of restoration or replacement of the lost or damaged information. To the extent that the contents of the *valuable papers and records* are not restored, the *valuable papers and records* will be valued at the cost of replacement with blank materials of substantially identical type.
- e. Property Exclusions does not apply to this Coverage Extension except for:
 - (1) 1c, Governmental Action;
 - (2) 1d, Nuclear Hazard;
 - (3) 1f, War and Military Action;
 - (4) 2f, Dishonesty;
 - (5) 2g, False Pretense;
 - (6) Paragraph 2m(2), Errors or Omissions; and
 - (7) 3.

7. Accounts Receivable

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

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

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

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

- c. Property Exclusions does not apply to this Coverage Extension except for:
 - (1) 1c, Governmental Action;
 - (2) 1d, Nuclear Hazard;

- (3) 1f, War and Military Action;
- (4) 2f, Dishonesty;
- (5) 2g, False Pretense;
- (6) 3; and
- (7) The Accounts Receivable Exclusion.

8. Money and Securities

- a. We will pay for loss of *money* and *securities* used in your business while at a bank or savings institution, within your living quarters or the living quarters of your partners or any employee having use and custody of the property, at the described premises or in transit between any of these places, resulting directly from:
 - (1) Theft, meaning any act of stealing;
 - (2) Disappearance; or
 - (3) Destruction.
- b. In addition to the Limitations and Exclusions applicable to property coverage, we will not pay for loss:
 - (1) Resulting from accounting or arithmetical errors or omissions;
 - (2) Due to the giving or surrendering of property in any exchange or purchase; or
 - (3) Of property contained in any *money*-operated device unless the amount of *money* deposited in it is recorded by a continuous recording instrument in the device.
- c. The most we will pay for loss in any one occurrence is:
 - (1) The limit shown in the Declarations for Inside the Premises for *money* and *securities* while:
 - (a) In or on the described premises; or
 - (b) Within a bank or savings institution; and
 - (2) The limit shown in the Declarations for Outside the Premises for *money* and *securities* while anywhere else.
- d. All loss:
 - (1) Caused by one or more persons; or
 - (2) Involving a single act or series of related acts;is considered one occurrence.
- e. You must keep records of all *money* and *securities* so we can verify the amount of any loss or damage.

PROPERTY EXCLUSIONS

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. These exclusions apply whether or not the loss event results in widespread damage or affects a substantial area.

a. Ordinance or Law

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

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

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

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

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

With respect to coverage for Volcanic Action as set forth in (5)(a), (5)(b) and (5)(c), all volcanic eruptions that occur within any 168-hour period will constitute a single occurrence.

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

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.

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

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

d. Nuclear Hazard

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

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

e. Utility Services

The failure of power, communication, water or other utility service supplied to the described premises, however caused, if the failure:

- (1) Originates away from the described premises; or
- (2) Originates at the described premises, but only if such failure involves equipment used to supply the utility service to the described premises from a source away from the described premises.

Failure of any utility service includes lack of sufficient capacity and reduction in supply.

Loss or damage caused by a surge of power is also excluded, if the surge would not

have occurred but for an event causing a failure of power.

But if the failure or surge of power, or the failure of communication, water 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.

Communication services include but are not limited to service relating to Internet access or access to any electronic, cellular or satellite network.

This exclusion does not apply to loss or damage to *computer(s)* and *electronic data*.

f. War and Military Action

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

g. Water

- (1) Flood, surface water, waves (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.

h. Fungi, Wet Rot or Dry Rot

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

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

This exclusion does not apply:

- (1) When *fungi*, wet rot or dry rot result from fire or lightning; or
- (2) To the extent that coverage is provided in the Limited Coverage for *Fungi, Wet Rot or Dry Rot Additional Coverage*, with respect to loss or damage by a cause of loss other than fire or lightning.

i. Virus Or Bacteria

- (1) Any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.
- (2) However, the exclusion in paragraph (1) does not apply to loss or damage caused by or resulting from *fungi*, wet rot or dry rot. Such loss or damage is addressed in Exclusion j;
- (3) With respect to any loss or damage subject to the exclusion in paragraph (1), such exclusion supersedes any exclusion relating to *pollutants*.

j. Certain Computer-Related Losses

- (1) The failure, malfunction or inadequacy of:
 - (a) Any of the following, whether belonging to any insured or to others:
 - (i) *Computer* hardware, including microprocessors or other electronic data processing equipment as may be described elsewhere in this policy;
 - (ii) *Computer* application software or other *electronic data* as may be described elsewhere in this policy;
 - (iii) *Computer* operating systems and related software;
 - (iv) *Computer* networks;

(v) Microprocessors (*computer chips*) not part of any *computer system*; or

(vi) Any other computerized or electronic equipment or components; or

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

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

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

If excluded loss or damage as described in paragraph 1a of this endorsement results in a *specified cause of loss*, we will pay only for the loss or damage caused by such *specified cause of loss*.

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

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

a. Electrical Apparatus

Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:

(1) Electrical or electronic wire, device, appliance, system or network; or

(2) Device, appliance, system or network utilizing cellular or satellite technology.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes but is not limited to:

(1) Electrical current, including arcing;

(2) Electrical charge produced or conducted by a magnetic or electromagnetic field;

(3) Pulse of electromagnetic energy; or

(4) Electromagnetic waves or microwaves.

But if fire results, we will pay for the loss or damage caused by fire.

We will pay for loss or damage to *computer(s)* due to artificially generated electrical, magnetic or electromagnetic energy if

such loss or damage is caused by or results from:

(1) An occurrence that took place within 100 feet of the described premises; or

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

b. Consequential Losses

Delay, loss of use or loss of market.

c. Smoke, Vapor, Gas

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

d. Steam Apparatus

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

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

e. Frozen Plumbing

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

(1) You do your best to maintain heat in the building or structure; or

(2) You drain the equipment and shut off the supply if the heat is not maintained.

f. Dishonesty

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

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

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

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

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

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

g. False Pretense

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

h. Exposed Property

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

i. Collapse

(1) Collapse, including any of the following conditions of property or any part of the property:

- (a) An abrupt falling down or caving in;
- (b) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
- (c) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to paragraph i (1)(a) or i (1)(b).

But if collapse results in a Covered Cause of Loss at the described premises, we will pay for the loss or damage caused by that Covered Cause of Loss.

(2) This Exclusion i, does not apply:

- (a) To the extent that coverage is provided under the Additional Coverage - Collapse; or
- (b) To collapse caused by one or more of the following:
 - (i) The *specified causes of loss*;
 - (ii) Breakage of building glass;
 - (iii) Weight of rain that collects on a roof; or
 - (iv) Weight of people or personal property.

j. Pollution

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

k. Neglect

Neglect of an insured to use all reasonable

means to save and preserve property from further damage at and after the time of loss.

I. Other Types of Loss

- (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.

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

But, if an excluded cause of loss that is listed in 2I(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.

m. Errors or Omissions

Errors or omissions in:

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

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

n. Installation, Testing, Repair

Errors or deficiency in design, installation, testing, maintenance, modification or repair of your *computer system* including *electronic data*.

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

o. Electrical Disturbance

Electrical or magnetic injury, disturbance or erasure of *electronic data*, except as provided for under the Additional Coverages section.

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

p. Continuous or Repeated Seepage or Leakage of Water

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.

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

a. Weather Conditions

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

b. Acts or Decisions

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

c. Negligent Work

Faulty, inadequate or defective:

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

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

4. Additional Exclusion

The following applies only to the property specified in this Additional Exclusion.

Loss Or Damage To Products

We will not pay for loss or damage to any merchandise, goods or other product caused by or resulting from error or omission by any person or entity (including those having possession under an arrangement where work or a portion of the work is outsourced) in any stage of the development, production or use of the product, including planning, testing, processing, packaging, installation, maintenance or repair. This exclusion applies to any effect that com-

promises the form, substance or quality of the product. But if such error or omission results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

5. Business Income and Extra Expense Exclusions

a. We will not pay for:

- (1) Any Extra Expense or increase of Business Income loss, caused by or resulting from:

- (a) Delay in rebuilding, repairing or replacing the property or resuming *operations*, due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or

- (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the suspension of *operations*, we will cover such loss that affects your Business Income during the *period of restoration* and any extension of the *period of restoration* in accordance with the terms of the Extended Business Income Additional Coverage.

- (2) Any other consequential loss.

b. With respect to this exclusion, suspension means:

- (1) The partial slowdown or complete cessation of your business activities; and
 - (2) That a part or all of the described premises is rendered untenable, if coverage for Business Income applies.

6. Accounts Receivable Exclusion

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

We will not pay for:

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

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

b. Loss or damage caused by or resulting from bookkeeping, accounting or billing errors or omissions.

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

PROPERTY LIMITS OF INSURANCE

1. The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.
2. The most we will pay for loss of or damage to outdoor signs attached to buildings is \$1,000 per sign in any one occurrence.
3. The amounts of insurance applicable to the Coverage Extensions and the following Additional Coverages apply in accordance with the terms of such coverages and are in addition to the Limits of Insurance:
 - a. Fire Department Service Charge;
 - b. Pollutant Clean-up And Removal;
 - c. Increased Cost Of Construction;
 - d. Business Income From Dependent Properties;
 - e. Electronic Data; and
 - f. Interruption Of Computer Operations.

4. Building Limit - Automatic Increase

- a. In accordance to paragraph 4b, the Limit of Insurance for Buildings will automatically increase by 6%, unless a different percentage of annual increase is shown in the Declarations.
- b. The amount of increase is calculated as follows:
 - (1) Multiply the Building limit that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Building limit by:
 - (a) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 7% is .07); or
 - (b) .06, if no percentage of annual increase is shown in the Declarations; and

- (2) Multiply the number calculated in accordance with b(1) by the number of days since the beginning of the current policy year, or the effective date of the most recent policy change amending the Building limit, divided by 365.

Example:

If:

The applicable Building limit is \$100,000

The annual percentage increase is 8%

The number of days since the beginning of the policy year (or last policy change) is 180

The amount of increase is
 $\$100,000 \times .08 \times 180 \div 365 = \$3,945$

5. Business Personal Property Limit - Seasonal Increase

- a. Subject to paragraph 5b, the Limit of Insurance for Business Personal Property is automatically increased by:
 - (1) The Business Personal Property - Seasonal Increase percentage shown in the Declarations; or
 - (2) 25% if no Business Personal Property - Seasonal Increase percentage is shown in the Declarations;to provide for seasonal variances.
- b. This increase described in paragraph 5a will apply only if the Limit of Insurance shown for Business Personal Property in the Declarations is at least 100% of your average monthly values during the lesser of:
 - (1) The 12 months immediately preceding the date the loss or damage occurs; or
 - (2) The period of time you have been in business as of the date the loss or damage occurs.

PROPERTY OPTIONAL COVERAGES

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

1. Outdoor Signs

- a. We will pay for direct physical loss of or damage to all outdoor signs at the described premises:
 - (1) Owned by you; or
 - (2) Owned by others but in your care, cus-

tody or control.

- b. Paragraph 3, Covered Causes of Loss, under the Property Coverages Section, and the Property Exclusions Section do not apply to this Optional Coverage, except for the following Property Exclusions:
 - (1) Paragraph 1c, Governmental Action;
 - (2) Paragraph 1d, Nuclear Hazard; and
 - (3) Paragraph 1f, War and Military Action.
- c. We will not pay for loss or damage caused by or resulting from:

- (1) Wear and tear;
- (2) Hidden or latent defect;
- (3) Rust;
- (4) Corrosion; or
- (5) Mechanical breakdown.

- d. The most we will pay for loss or damage in any one occurrence is the Limit of Insurance for Outdoor Signs shown in the Declarations.
- e. The provisions of this Optional Coverage supersede all other references to outdoor signs in this policy.

2. Employee Dishonesty

- a. We will pay for direct loss of or damage to Business Personal Property, including *money* and *securities*, resulting from dishonest acts committed by any of your employees acting alone or in collusion with other persons (except you or your partner) with the manifest intent to:
 - (1) Cause you to sustain loss or damage; and also
 - (2) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
 - (a) Any employee; or
 - (b) Any other person or organization.
- b. We will not pay for loss or damage:
 - (1) Resulting from any dishonest or criminal act that you or any of your partners or *members* commit whether acting alone or in collusion with other persons.
 - (2) Resulting from any dishonest act committed by any of your employees (except as provided in paragraph a), *managers* or directors:
 - (a) Whether acting alone or in collusion with other persons; or
 - (b) While performing services for you or otherwise.
 - (3) The only proof of which as to its existence or amount is:
 - (a) An inventory computation; or
 - (b) A profit and loss computation.
- c. The most we will pay for loss or damage in any one occurrence is the Limit of Insurance for Employee Dishonesty shown in the Declarations.
- d. All loss or damage:
 - (1) Caused by one or more persons; or
 - (2) Involving a single act or series of acts;

is considered one occurrence.

- e. If any loss is covered:
 - (1) Partly by this insurance; and
 - (2) Partly by any prior cancelled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest;

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

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

of any dishonest act committed by that employee before or after being hired by you.
- g. We will pay only for covered loss or damage sustained during the policy period and discovered no later than one year from the end of the policy period.
- h. If you (or any predecessor in interest) sustained loss or damage during the policy period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this Optional Coverage, provided:
 - (1) This Optional Coverage became effective at the time of cancellation or termination of the prior insurance; and
 - (2) The loss or damage would have been covered by this Optional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.
- i. The insurance under paragraph h above is part of, not in addition to, the Limit of Insurance applying to this Optional Coverage and is limited to the lesser of the amount recoverable under:
 - (1) This Optional Coverage as of its effective date; or
 - (2) The prior insurance had it remained in effect.
- j. With respect to the Employee Dishonesty Optional Coverage in paragraph 2, employee means:

- (1) Any natural person:
 - (a) While in your service or for 30 days after termination of service;
 - (b) Whom you compensate directly by salary, wages or commissions; and
 - (c) Whom you have the right to direct and control while performing services for you.
- (2) Any natural person who is furnished temporarily to you;
 - (a) To substitute for a permanent employee as defined in paragraph (1) above, who is on leave; or
 - (b) To meet seasonal or short-term work load conditions.
- (3) Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in para-

graph (2) above;

- (4) Any natural person who is a former employee, director, partner, member, manager, representative or trustee retained as a consultant while performing services for you; or
- (5) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside any building you occupy in conducting your business.

But employee does not mean:

- (1) Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
- (2) Any *manager*, director or trustee except while performing acts coming within the usual duties of an employee.

PROPERTY DEDUCTIBLES

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

In the event that loss or damage occurs to Covered Property at one or more building locations as a result of one occurrence, the largest applicable deductible shown in the Declarations will apply.

- 2. Regardless of the amount of the Deductible, the most we will deduct from any loss or damage under all of the following Optional Coverages in any one occurrence is the Optional Coverage Deductible shown in the Declarations:
 - a. Money and Securities;

- b. Employee Dishonesty;
- c. Outdoor Signs; and
- d. Forgery or Alteration.

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

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

PROPERTY GENERAL CONDITIONS

1. Control of Property

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

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

2. Mortgageholders

- a. The term "mortgageholder" includes trustee.
- b. We will pay for covered loss of or damage

to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.

- c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this policy, the mortgageholder will still have the right to receive loss payment if the mortgageholder:

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

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

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

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

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

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:
- (1) Ten days before the effective date of

cancellation if we cancel for your non-payment of premium; or

- (2) Thirty days before the effective date of cancellation if we cancel for any other reason.

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

3. No Benefit to Bailee

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

4. Policy Period, Coverage Territory

Under this form:

- a. We cover loss or damage commencing:

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

- b. The coverage territory is:

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

PROPERTY LOSS CONDITIONS

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

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

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

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

3. Duties in the Event of Loss or Damage

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

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage and keep a record of your expenses reasonably incurred to protect the Covered Property. We will consider these expenses in the settlement of a claim, but this will not increase the applicable Limit of Insurance. However, we will not consider any expenses incurred in order to protect the Covered Property from a cause of loss that is not a Covered Cause of Loss. Also, if feasible,

set the damaged property aside and in the best possible order for examination.

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

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

- (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
 - (8) Cooperate with us in the investigation or settlement of the claim.
 - (9) Resume all or part of your *operations* as quickly as possible.
- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

4. Legal Action Against Us

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

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

5. Loss Payment and Valuation

In the event of loss or damage covered by this Coverage Form:

- a. At our option, we will either:
 - (1) Pay the value of lost or damaged property;
 - (2) Pay the cost of repairing or replacing the lost or damaged property;
 - (3) Take all or any part of the property at an agreed or appraised value; or
 - (4) Repair, rebuild or replace the property with other property of like kind and quality.

- b. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- c. We will not pay you more than your financial interest in the Covered Property.
- d. Our payment for loss of or damage to personal property of others will only be for the account of the owners of the property. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- e. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- f. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, provided you have complied with all of the terms of this policy and we have reached agreement with you on the amount of loss or an appraisal award has been made.
- g. Except as provided in (2) through (7) below, we will determine the value of Covered Property as follows:

- (1) At replacement cost without deduction for depreciation, if Replacement Cost is indicated in the Declarations as the basis for valuation of the Covered Property.

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

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

- (i) Until the lost or damaged property is actually repaired or replaced; and
- (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

However, if the cost to repair or replace the damaged building property is \$2,500 or less, we will settle the loss according to the provisions of paragraph g(1) above whether or not the actual repair or replacement is complete.

- (c) We will not pay more for loss or damage on a replacement cost basis than the least of:
 - (i) The cost to replace, on the same premises, the lost or damaged property with other property that is of comparable material and quality and is used for the same purpose.
 - (ii) The amount you actually spend that is necessary to repair or replace the lost or damaged property.
 - (iii) The limit shown in the Declarations for the Covered Property.

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

- (2) At actual cash value, if Actual Cash Value is indicated in the Declarations as the basis for valuation of the Covered Property. We will never pay more than the applicable limit shown in the Declarations.
- (3) The following property at actual cash value:
 - (a) Used or second-hand merchandise held in storage or for sale;
 - (b) Property of others. However, if an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance;
 - (c) Household contents, except personal property in apartments or rooms furnished by you as landlord;
 - (d) Manuscripts; and
 - (e) Works of art, antiques or rare articles, including etchings, pictures, statuary, marble, bronzes, porcelain and bric-a-brac.
- (4) Glass at the cost of replacement with

safety glazing material if required by law.

- (5) *Money* at its face value.
- (6) *Securities* at their value at the close of business on the day the loss is discovered.
- (7) Applicable only to Accounts Receivable:
 - (a) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage:
 - (i) We will determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss or damage occurs; and
 - (ii) We will adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.
 - (b) The following will be deducted from the total amount of accounts receivable, however that amount is established:
 - (i) The amount of the accounts for which there is no loss or damage;
 - (ii) The amount of the accounts that you are able to reestablish or collect;
 - (iii) An amount to allow for probable bad debts that you are normally unable to collect; and
 - (iv) All unearned interest and service charges.
- h. A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the loss to the party wall, subject to all applicable policy provisions including Limits of Insurance and all other provisions of this Loss Payment and Valuation Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building, and does

not alter the terms of the Transfer Of Rights Of Recovery Against Others To Us Common Policy Condition.

6. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, you may retain the property. 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 Insurance.

7. Resumption of Operations

We will reduce the amount of your:

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

8. Vacancy

a. Description of Terms

(1) As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in (a) and (b) below:

- (a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.

(b) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:

- (i) Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; and/or
- (ii) Used by the building owner to conduct customary operations.

(2) Buildings under construction or renovation are not considered vacant.

b. Vacancy Provisions

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

- (1) We will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:
 - (a) Vandalism;
 - (b) Sprinkler leakage, unless you have protected the system against freezing;
 - (c) Building glass breakage;
 - (d) Water damage;
 - (e) Theft; or
 - (f) Attempted theft.
- (2) With respect to Covered Causes of Loss other than those listed in (1)(a) through (1)(f) above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

PROPERTY DEFINITIONS

1. "Computer" means:

- a. Programmable electronic equipment that is used to store, retrieve and process data; and
- b. Associated peripheral equipment that provides communication, including input and output functions such as printing and auxiliary functions such as data transmission.

Computer does not include those used to operate production type machinery or equipment.

2. "Counterfeit money" means an imitation of money that is intended to deceive and to be taken as the original.

3. "Electronic data" means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer

software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of *electronic data*, means a set of related electronic instructions which direct the operations and functions of a *computer* or device connected to it, which enable the *computer* or device to receive, process, store, retrieve or send data.

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

5. "Manager" means a person serving in a direc-

torial capacity for a limited liability company.

6. "*Member*" means an owner of a limited liability company represented by its membership interest, who also may serve as a *manager*.
7. "*Money*" means:
 - a. Currency, coins and bank notes in current use and having a face value; and
 - b. Travelers checks, register checks and money orders held for sale to the public.
8. "*Operations*" mean your business activities occurring at the described premises.
9. "*Period of restoration*" means the period of time that:
 - a. Begins:
 - (1) 24 hours after time of direct physical loss or damage for Business Income coverage; or
 - (2) Immediately after the time of direct physical loss or damage for Extra Expense coverage;Caused by or resulting from any Covered Cause of Loss at the described premises; and
 - b. Ends on the earlier of:
 - (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - (2) The date when business is resumed at a new permanent location.

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

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

The expiration date of this policy will not cut short the *period of restoration*.
10. "*Pollutants*" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
11. "*Securities*" means negotiable and nonnegotiable instruments or contracts representing either *money* or other property and includes:
 - a. Tokens, tickets, revenue and other stamps

(whether represented by actual stamps or unused value in a meter) in current use; and

- b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include *money*.

12. "*Specified causes of loss*" means the following:

Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.

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

- (1) The cost of filling sinkholes; or

- (2) Sinking or collapse of land into man-made underground cavities.

- b. Falling objects does not include loss of or damage to:

- (1) Personal Property in the open; or

- (2) The interior of a building or structure or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.

- c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) containing water or steam.

13. "*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.

14. "*Valuable papers and records*" means inscribed, printed, or written:

- a. Documents;

- b. Manuscripts; and

- c. Records;

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

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

BIS-PAK COMMON POLICY CONDITIONS

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BIS-PAK COMMON POLICY CONDITIONS

All coverages of this Coverage Part are subject to the following conditions.

A. CANCELLATION

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

B. CHANGES

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

C. CONCEALMENT, MISREPRESENTATION OR FRAUD

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

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

D. EXAMINATION OF YOUR BOOKS AND RECORDS

We may examine and audit your books and

records as they relate to this policy at any time during the policy period and up to three years afterward.

E. INSPECTIONS AND SURVEYS

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

F. INSURANCE UNDER TWO OR MORE COVERAGES

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

G. LIBERALIZATION

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

H. OTHER INSURANCE

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering

on the same basis.

2. If there is other insurance covering the same loss or damage, other than that described in 1 above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.
3. Business Liability Coverage is excess over:
 - a. Any of the other insurance, whether primary, excess, contingent or on any other basis:
 - (1) That is Fire, Extended Coverage, Builders' Risk, Installation Risk or similar coverage for *your work*;
 - (2) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner; or
 - (3) If the loss arises out of the maintenance or use of aircraft, *autos* or watercraft to the extent not subject to Exclusion g.
 - b. Any other primary insurance available to you covering liability for damages arising out of the premises or operations for which you have been added as an additional insured by attachment of an endorsement.
4. When Business Liability Coverage is excess, we will have no duty to defend the insured against any *suit* if any other insurer has a duty to defend the insured against that *suit*. If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When Business Liability Coverage is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- a. The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- b. The total of all deductible and self-insured amounts under all that other insurance.

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

I. PREMIUMS

1. The First Named Insured shown in the Declarations:

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

2. The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.
3. With our consent, you may continue this policy in force by paying a continuation premium for each successive one-year period. The premium must be:
 - a. Paid to us prior to the anniversary date; and
 - b. Determined in accordance with paragraph 2 above.Our forms then in effect will apply. If you do not pay the continuation premium, this policy will expire on the first anniversary date that we have not received the premium.
4. Undeclared exposures or change in your business operation, acquisition or use of locations may occur during the policy period that are not shown in the Declarations. If so, we may require an additional premium.

J. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

1. Applicable to Property coverage:

If any person or organization to or for whom we make payment under this Coverage Part 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 the time of loss, that party is one of the following:
 - (1) Someone insured by this insurance;
 - (2) A business firm:
 - (a) Owned or controlled by you; or
 - (b) That owns or controls you; or
 - (3) Your tenant.

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

This will not restrict your insurance.

2. Applicable to Liability coverage:

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

K. 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 tem-

porary custody of your property will have your rights and duties but only with respect to that property.

L. REPRESENTATIONS

By accepting this policy, you agree:

1. The statements in the Declarations are accurate and complete;
2. Those statements are based upon representations you made to us; and
3. We have issued this policy in reliance upon your representations.

M. WHEN WE DO NOT RENEW

If we elect not to renew this policy, we will mail or deliver to the First Named Insured shown in the Declarations written notice of the non-renewal not less than 30 days before the expiration date.

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

CONDITIONAL EXCLUSION OF TERRORISM (RELATING TO DISPOSITION OF FEDERAL TERRORISM RISK INSURANCE ACT)

CB-0564(1-15)

This endorsement modifies insurance provided under the following:

BIS-PAK COVERAGE PART

A. The Bis-Pak Property Coverage Form and the Bis-Pak Business Liability and Medical Expenses Coverage Form are amended as follows:

1. Applicability Of The Provisions Of This Endorsement

a. The provisions of this endorsement will become applicable commencing on the date when any one or more of the following first occurs. But if your policy (meaning the policy period in which this endorsement applies) begins after such date, then the provisions of this endorsement become applicable on the date your policy begins.

(1) The federal Terrorism Risk Insurance Program ("Program"), established by the Terrorism Risk Insurance Act, has terminated with respect to the type of insurance provided under this Coverage Form; or

(2) A renewal, extension or replacement of the Program has become effective without a requirement to make terrorism coverage available to you and with revisions that:

(a) Increase our statutory percentage deductible under the Program for terrorism losses. (That deductible determines the amount of all certified terrorism losses we must pay in a calendar year, before the federal government shares in subsequent payment of certified terrorism losses.); or

(b) Decrease the federal government's statutory percentage share in potential terrorism losses above such deductible; or

(c) Redefine terrorism or make insurance coverage for terrorism subject to provisions or requirements that differ from those that apply to other types of events or occurrences under this policy.

b. If the provisions of this endorsement become applicable, such provisions:

(1) Supersede any terrorism endorsement already endorsed to this policy that addresses *certified acts of terrorism* and/or *other acts of terrorism*, but only with respect to loss or injury or damage from an incident(s) of terrorism (however defined) that occurs on or after the date when the provisions of this endorsement become applicable; and

(2) Remain applicable unless we notify you of changes in these provisions, in response to federal law.

c. If the provisions of this endorsement do NOT become applicable, any terrorism endorsement already endorsed to this policy, that addresses *certified acts of terrorism* and/or *other acts of terrorism*, will continue in effect unless we notify you of changes to that endorsement in response to federal law.

2. The following definition is added and applies under this endorsement wherever the term terrorism is shown in italics.

"Terrorism" means activities against persons, organizations or property of any nature:

a. That involve the following or preparation for the following:

(1) Use or threat of force or violence; or

(2) Commission or threat of a dangerous act; or

(3) Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and

b. When one or both of the following applies:

(1) The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or

(2) It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

B. The Property Coverage Form is amended as follows:

1. The following exclusion is added:

EXCLUSION OF TERRORISM

We will not pay for loss or damage caused directly or indirectly by *terrorism*, including action in hindering or defending against an actual or expected incident of *terrorism*. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. But this exclusion applies only when one or more of the following are attributed to an incident of *terrorism*:

- a. The *terrorism* is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
- b. Radioactive material is released, and it appears that one purpose of the *terrorism* was to release such material; or
- c. The *terrorism* is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
- d. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the *terrorism* was to release such materials; or
- e. The total of insured damage to all types of property in the United States, its territories and possessions, Puerto Rico and Canada exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the *terrorism* and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions. Multiple incidents of *terrorism* which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the threshold is exceeded.

With respect to this Item 1e, the immediately preceding paragraph describes the threshold used to measure the

magnitude of an incident of *terrorism* and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an incident of *terrorism*, there is no coverage under this Coverage Form.

2. Exception Covering Certain Fire Losses

The following exception to the Exclusion Of Terrorism applies only if indicated and as indicated in the Schedule of this endorsement.

If *terrorism* results in fire, we will pay for the loss or damage caused by that fire, subject to all applicable policy provisions including the Limit of Insurance on the affected property. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense coverages or endorsements that apply to those coverages.

3. Application Of Other Exclusions

When the Exclusion Of Terrorism applies in accordance with the terms of Paragraph 1a or 1b, such exclusion applies without regard to the Nuclear Hazard Exclusion in this Coverage Form.

C. The Business Liability and Medical Expenses Coverage Form is amended as follows:

1. The following definition is added and applies under this endorsement wherever the phrase any injury or damage, is shown in italics:

"Any injury or damage" means any injury or damage covered under this Coverage Form or any applicable endorsement, and includes but is not limited to *bodily injury, property damage, personal injury, advertising injury or personal and advertising injury*, as may be defined under this Coverage Form or any applicable endorsement.

2. The following exclusion is added:

EXCLUSION OF TERRORISM

We will not pay for *any injury or damage* caused directly or indirectly by *terrorism*, including action in hindering or defending against an actual or expected incident of *terrorism*. *Any injury or damage* is excluded regardless of any other cause or event that contributes concurrently or in any sequence to such injury or damage. **But this exclusion applies only when one or more of the following are attributed to an incident of *terrorism*:**

- a. The *terrorism* is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
- b. Radioactive material is released, and it appears that one purpose of the *terrorism* was to release such material; or
- c. The *terrorism* is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
- d. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the *terrorism* was to release such materials; or
- e. The total of insured damage to all types of property exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the *terrorism* and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or
- f. Fifty or more persons sustain death or serious physical injury. For the pur-

poses of this provision, serious physical injury means:

- (1) Physical injury that involves a substantial risk of death; or
- (2) Protracted and obvious physical disfigurement; or
- (3) Protracted loss of or impairment of the function of a bodily member or organ.

Multiple incidents of *terrorism* which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the thresholds in Paragraph 2e or 2f are exceeded.

With respect to this Exclusion, Paragraphs 2e and 2f describe the threshold used to measure the magnitude of an incident of *terrorism* and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an incident of *terrorism*, there is no coverage under this Coverage Form.

- D. The following provision is added to the Bis-Pak Property Coverage Form and the Bis-Pak Business Liability and Medical Expenses Coverage Form:

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for loss or injury or damage that is otherwise excluded under this Policy.

SCHEDULE

The Exception Covering Certain Fire Losses (Paragraph B2) applies to property located in the following states:

- Illinois
- Iowa
- Maine
- Missouri
- Wisconsin

SNOW PLOW PRODUCTS - COMPLETED OPERATIONS HAZARD COVERAGE

CB-1416(1-10)

This endorsement modifies insurance provided under the following:

BIS-PAK BUSINESS LIABILITY AND MEDICAL EXPENSES COVERAGE FORM

The following exception is added to Exclusion 1g Aircraft, Auto or Watercraft:

This exclusion does not apply to *bodily injury* or *property damage* that:

- (a) Is included in the *products-completed operations hazard*; and
- (b) Arises out of the use of any *auto* for snow or ice removal operations.

NEVADA CHANGES

CB-0188(5-10)

This endorsement modifies insurance provided under the following:

BIS-PAK COVERAGE PART

- A.** The Bis-Pak Business Liability and Medical Expense Coverage Form is amended as follows:

The term spouse is replaced by the following:

Spouse or individual who is in a domestic partnership recognized under Nevada law.

- B.** The Bis-Pak Common Policy Conditions is amended as follows:

1. Paragraph A3 is deleted.
2. The following are added to paragraph A Cancellation:

7. Midterm Cancellation

If this policy has been in effect for 70 days or more, or if this policy is a renewal of a policy we issued, we may cancel only for one or more of the following reasons:

- a. Nonpayment of premium;
- b. Conviction of the insured of a crime arising out of acts increasing the hazard insured against;
- c. Discovery of fraud or material misrepresentation in obtaining the policy or in presenting a claim thereunder;
- d. Discovery of an act or omission or a violation of any condition of the policy which occurred after the first effective date of the current policy, and substantially and materially increases the hazard insured against;
- e. A material change in the nature or extent of the risk, occurring after the first effective date of the current policy, which causes the risk of loss to be substantially and materially increased beyond that contemplated at the time the policy was issued or last renewed;
- f. A determination by the commissioner that continuation of our present volume of premiums would jeopardize our solvency or be hazardous to the interests of our policyholders, creditors or the public;
- g. A determination by the commissioner that the continuation of the policy would violate, or place us in violation of, any provision of the code.

8. Anniversary Cancellation

If this policy is written for a term longer than one year, we may cancel for any

reason at an anniversary, by mailing or delivering written notice of cancellation to the First Named Insured at the last mailing address known to us at least 60 days before the anniversary date.

- 9.** If this policy has been issued to a condominium association, we will also mail or deliver the written notice of cancellation to each unit-owner and each holder of a security interest to whom a certificate or memorandum of insurance has been issued.

- 3.** Paragraph C Concealment, Misrepresentation Or Fraud is replaced by the following:

C. Concealment, Misrepresentation Or Fraud

We will not pay for any loss or damage in any case of:

1. Concealment or misrepresentation of a material fact; or
 2. Fraud;
- committed by an insured at any time and relating to a claim under this policy.

- 4.** Paragraph M When We Do Not Renew is replaced by the following:

M. Nonrenewal

1. If we elect not to renew this policy, we will mail or deliver to the First Named Insured shown in the Declarations a notice of intention not to renew at least 60 days before the agreed expiration date.

If this policy has been issued to a condominium association, we will also mail or deliver the written notice of nonrenewal to each unit-owner and each holder of a security interest to whom we issued a certificate or memorandum of insurance.

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

2. We need not provide this notice if:
 - a. You have accepted replacement coverage;
 - b. You have requested or agreed to nonrenewal; or
 - c. This policy is expressly designated as nonrenewable.

- 5.** The following paragraph is added:

Notices

1. Notice of cancellation or nonrenewal will be mailed, first class or certified, or

delivered to the First Named Insured at the last mailing address known to us and will state:

- a. The specific reason for cancellation or nonrenewal; and
- b. The effective date of nonrenewal.

2. We will also provide a copy of the notice of cancellation, for both policies in effect less than 70 days and policies in effect 70 days or more, to the agent who wrote the policy.

EXCLUSION OF MULTI-FAMILY AND TRACT HOUSING CONSTRUCTION OPERATIONS

CB-7292(11-07)

This endorsement modifies insurance provided under the following:

BIS-PAK BUSINESS LIABILITY AND MEDICAL EXPENSES COVERAGE FORM

1. The following exclusion is added to Exclusions, Paragraph 1, Applicable to Business Liability Coverage:

This insurance does not apply to and we are not obligated to indemnify, pay damages or defend any loss, claim, *suit* or other proceeding for *property damage* arising out of the design, development, site preparation, construction, marketing or sales of new *multi-family housing* or new *tract housing*. This includes any method or procedure used to correct problems with any previous design, development, site preparation, construction, marketing or sales operations involving new *multi-family housing* or new *tract housing*.

- a. This exclusion applies to:

- (1) Both ongoing operations and the *products-completed operation hazard*.
- (2) Work performed by the insured or on the insured's behalf.
- (3) *Property damage* for which you assume liability in a contract or agreement, regardless of whether such contract or agreement is an *insured contract*.
- (4) Conversion of an existing building or structure into *multi-family housing*.
- (5) Additions to existing *multi-family housing*.

- b. This exclusion does not apply to remodeling, maintenance or service operations if:

- (1) The work is being performed for the *owner* of existing property, by you or by another contractor for whom you are working as a subcontractor, and
- (2) The work does not involve the repair or replacement of *your work*, or the work

of any other insured, previously completed on new *multi-family housing* or new *tract housing*, and

- (3) The work does not involve the repair or replacement of work previously performed on new *multi-family housing* or new *tract housing* by or for another contractor for whom you are working as a subcontractor.

2. The following definitions are added to Liability and Medical Expenses Definitions:

"Multi-family housing" means a building which contains more than four dwelling units, including residential condominiums, apartments, townhouses, common interest communities and planned unit developments. This includes mixed-use buildings which contain both commercial and residential units, if the building contains more than four dwelling units.

"Owner" means the legal entity which owns the property, but does not include the contractor, builder, developer, joint venture or any related entity responsible for construction operations on the property.

"Tract housing" means either of the following:

- a. Any subdivision, planned unit development, common interest community or other development in which any insured has built or participated in any way in the construction of more than 20 buildings which contain one or more dwelling units while acting as a general contractor, builder, developer or as part of a joint venture, or
- b. Any subdivision, planned unit development, common interest community or other development in which any single contractor, builder, developer or joint venture for whom any insured has worked, has built or has participated in any way in the construction of more than 20 buildings which contain one or more dwelling units.

EXCLUSION OF CERTIFIED ACTS OF TERRORISM

CB-7297(1-15)

This endorsement modifies insurance provided under the following:

BIS-PAK COVERAGE PART

A. The following provisions are added and apply to Property and Liability Coverages if applicable:

1. The following definition is added with respect to the provisions of this endorsement:

"*Certified act of terrorism*" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a *certified act of terrorism* include the following:

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

2. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for loss or injury or damage that is otherwise excluded under this Policy.

B. The following provisions are added to the Deluxe Bis-Pak Property Coverage Form:

1. The following exclusion is added:

CERTIFIED ACT OF TERRORISM EXCLUSION

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

2. Exception Covering Certain Fire Losses

The following exception to the exclusion in Paragraph B1 applies only if indicated and as indicated in the Schedule of this endorsement.

If a *certified act of terrorism* results in fire, we will pay for the loss or damage caused by that fire. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under the Business Income and Extra Expense Additional Coverage.

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

C. The following provision is added to the Bis-Pak Business Liability and Medical Expenses Coverage Form:

1. The following exclusion is added:

This insurance does not apply to:

TERRORISM

Any injury or damage arising, directly or indirectly, out of a *certified act of terrorism*.

2. The following definition is added:

For the purposes of this endorsement, "*any injury or damage*" means any injury or damage covered under any Coverage Form to which this endorsement is applicable, and includes but is not limited to *bodily injury, property damage, personal and advertising injury* as may be defined in any applicable Coverage Form.

SCHEDULE

The **Exception Covering Certain Fire Losses** (Paragraph B2) applies to property located in the following states, if covered under the Bis-Pak Coverage Part:

States
Illinois
Iowa
Maine
Missouri
Wisconsin

EXCLUSION - UNMANNED AIRCRAFT

CB-7406(6-15)

This endorsement modifies insurance provided under the following:

BIS-PAK LIABILITY AND MEDICAL EXPENSES COVERAGE FORM

A. Exclusion 1g is replaced by the following:

This insurance does not apply to:

g. Aircraft, Auto Or Watercraft

(1) Unmanned Aircraft

Bodily injury, property damage, or personal and advertising injury arising out of the ownership, maintenance, use or entrustment to others of any aircraft that is an *unmanned aircraft*. Use includes operation and *loading or unloading*.

This paragraph g(1) applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the *occurrence* which caused the *bodily injury, property damage, or personal and advertising injury* involved the ownership, maintenance, use or entrustment to others of any aircraft that is an *unmanned aircraft*.

This paragraph g(1) does not apply to:

- a.** The use of another's advertising idea in your *advertisement*; or
- b.** Infringing upon another's copyright trade dress or slogan in your *advertisement*.

(2) Aircraft (Other Than Unmanned Aircraft), Auto Or Watercraft

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

This paragraph g(2) applies even if the claims allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the *occurrence* which caused the *bodily injury or property damage* involved the ownership,

maintenance, use or entrustment to others of any aircraft (other than *unmanned aircraft*), *auto* or watercraft that is owned or operated by or rented or loaned to any insured.

This paragraph g(2) does not apply to:

- (a) A watercraft while ashore on premises you own or rent;
- (b) A watercraft you do not own that is:
 - (i) Less than 51 feet long; and
 - (ii) Not being used to carry persons or property for a charge;
- (c) Parking an *auto* on, or on the ways next to, premises you own or rent, provided the *auto* is not owned by or rented or loaned to you or the insured;
- (d) Liability assumed under any *insured contract* for the ownership, maintenance or use of aircraft or watercraft; or
- (e) *Bodily injury or property damage* arising out of:
 - (i) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of *mobile equipment* if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance or motor vehicle registration law where it is licensed or principally garaged; or
 - (ii) The operation of any of the machinery or equipment listed in paragraph f(2) or f(3) of the definition of *mobile equipment*.

B. The following definition is added to the Liability and Medical Expenses Definitions section:

"Unmanned aircraft" means an aircraft that is not:

- 1. Designed;
- 2. Manufactured; or
- 3. Modified after manufacture;

to be controlled directly by a person from within or on the aircraft.

CIVIL AUTHORITY CHANGE

CB-7410(8-15)

This endorsement modifies insurance provided under the following:

DELUXE BIS-PAK PROPERTY COVERAGE FORM

Paragraph 5h(1) Civil Authority under Property Coverages is replaced by the following:

h. Civil Authority

- (1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within the area.

EMPLOYMENT-RELATED PRACTICES EXCLUSION

CB-0417(1-10)

This endorsement modifies insurance provided under the following:

BIS-PAK BUSINESS LIABILITY AND MEDICAL EXPENSES COVERAGE FORM

The following exclusion is added:

1. This insurance does not apply to *bodily injury* or *personal and advertising injury* to:
 - a. A person arising out of any:
 - (1) Refusal to employ that person;
 - (2) Termination of that person's employment; or
 - (3) Employment-related practices, policies, acts or omissions such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or
 - b. The spouse, child, parent, brother or sister of that person as a consequence of *bodily injury* or *personal and advertising injury* to that person at whom any of the employment-related practices described in paragraphs (1), (2) or (3) above is directed.
2. The Employment-Related Practices Exclusion applies:
 - a. Whether the injury-causing event described in paragraph (1), (2) or (3) above occurs before employment, during employment or after employment of that person;
 - b. Whether the insured may be liable as an employer or in any other capacity; and
 - c. To any obligation to share damages with or repay someone else who must pay damages because of the injury.

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

CB-1504(5-14)

This endorsement modifies insurance provided under the following:

BIS-PAK BUSINESS LIABILITY AND MEDICAL EXPENSES COVERAGE FORM

A. Exclusion 1s is replaced by the following:

This insurance does not apply to:

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

- (1) Damages, other than damages because of *personal and advertising injury*, arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of non-public information; or
- (2) Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

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

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

As used in this exclusion, electronic data means information, facts or computer pro-

grams stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.

B. The following is added to Exclusions 1p:

This insurance does not apply to:

p. Personal And Advertising Injury

Personal and advertising injury:

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

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

EXCLUSION - HABITATIONAL EXTERIOR FINISH SYSTEMS

CB-7237(8-12)

This endorsement modifies insurance provided under the following:

BIS-PAK BUSINESS LIABILITY AND MEDICAL EXPENSES COVERAGE FORM

1. The following exclusion is added:

This insurance does not apply to *bodily injury* or *property damage* included in the *Products-completed operations hazard* or to *personal and advertising injury* arising out of:

- a. The design, manufacture, sale, service, handling, construction, fabrication, preparation, installation, application, maintenance, disposal or repair, including remodeling, service, correction or replacement of an *exterior finish system* or any part thereof;
- b. The application or use of conditioners, primers, accessories, flashing, coatings, caulking or sealant in connection with an *exterior finish system*;
- c. Any method or procedure used to correct problems with an installed or partially installed *exterior finish system*; or
- d. Any work or operations performed on or to an *exterior finish system* or any component thereof or on or to a building or structure to which an *exterior finish system* attaches that results, directly or indirectly, in the intrusion of water or moisture, including any resulting fungus, mold, mildew, virus or bacteria and any mycotoxins, spores, scents or byproducts thereof, into or on any part of the building or structure on which you performed such work or operations.

This exclusion applies only if the *exterior finish system* is or was attached to a building or structure used solely for *habitational* purposes.

This exclusion applies to *bodily injury*, *property*

damage, *personal and advertising injury*:

- a. Arising out of work or operations, as described in 1 above, whether performed by you or on your behalf.
 - b. For which you assume liability in a contract or agreement, regardless of whether such contract or agreement is an *insured contract*.
2. The following is added to Liability and Medical Expenses Definitions:
- a. "*Exterior finish system*" includes, but is not limited to, an exterior insulation and finish system (EIFS), direct-applied exterior finish system (DEFS), synthetic stucco or similar system that is an exterior cladding or finish system used on a building or structure consisting of:
 - (1) A rigid or semi-rigid insulation board made of expanded polystyrene or other materials or a rigid or semi-rigid substrate;
 - (2) The adhesive and/or mechanical fasteners used to attach the insulation board to substrate or the substrate to the structure including any water-durable exterior wall substrate;
 - (3) A reinforced or unreinforced base coat or mesh;
 - (4) A finish coat providing surface texture to which color may be added; and
 - (5) Any flashing, caulking or sealant used with the system for any purpose.
 - b. "*Habitational*" means single or multifamily housing, including apartments, condominiums, townhouses or planned unit developments.

ASBESTOS EXCLUSION

IL-7012(3-14)

This endorsement modifies insurance provided under the following:

BIS-PAK BUSINESS LIABILITY AND MEDICAL EXPENSE COVERAGE FORM

COMMERCIAL AUTO COVERAGE PART

COMMERCIAL GENERAL LIABILITY COVERAGE PART

DIRECTORS' AND OFFICERS' LIABILITY COVERAGE PART

EMPLOYEE BENEFITS LIABILITY COVERAGE PART

ERRORS AND OMISSIONS COVERAGE PART

GARAGE COVERAGE FORM

LIQUOR LIABILITY COVERAGE FORM

OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE FORM

POLLUTION LIABILITY COVERAGE FORM

PRODUCT WITHDRAWAL COVERAGE PART

PRODUCTS-COMPLETED OPERATIONS LIABILITY COVERAGE FORM

RAILROAD PROTECTIVE LIABILITY COVERAGE FORM

The following exclusion is added:

Asbestos

This insurance does not apply to any *bodily injury* or *property damage* arising out of activities related to, but not limited to, manufacture, mining, storage, distribution, installation, sale, use, exposure to, service, testing for, repair, containment or removal of asbestos, asbestos fibers, asbestos dust, or products containing asbestos.

VOLUNTARY PROPERTY DAMAGE - BIS-PAK

CB-7068(8-06)

This endorsement modifies insurance provided under the following:

BIS-PAK BUSINESS LIABILITY AND MEDICAL EXPENSES COVERAGE FORM

- 1. With respect to the insurance provided under this endorsement, the following apply:
 - a. Exclusion 1k(4) is replaced by the following:
 - (4) Personal property of others:
 - (a) Held by the insured for servicing, repair, storage or sale at premises owned, occupied or rented to the insured.
 - (b) Caused by the ownership, maintenance, use, loading or unloading of any auto, watercraft, or transportation of property by any means.
 - b. Exclusion 1k(5) is deleted.
- 2. The insurance provided by this endorsement is subject to the following provisions:
 - a. We will pay for *property damage* at your request even if you are not legally liable, if it is otherwise subject to this endorsement.
 - b. *Property damage* does not include loss of use if personal property of others is not physically injured.
 - c. **Limits**
The most we will pay for an *occurrence* under this endorsement is the amount listed in the Schedule as the *occurrence* limit.

The most we will pay for the sum of all amounts paid under this endorsement is the amount listed in the Schedule as the aggregate limit.

The Liability and Medical Expenses Limit and the Aggregate Limits do not apply to the insurance provided under this endorsement.

d. Settlement

If you make any repairs to property damaged, at our request, we will pay the larger of your actual cost or 75% of your usual charge for the necessary labor and materials. Any property paid for or replaced by us may become our property at our option. Any payment made under this endorsement shall not be interpreted as an admission of liability by the insured or the company.

e. Deductible

Our obligation to pay for a covered loss applies only to the amount of loss in excess of \$100. The limit of liability applicable to an *occurrence* will be reduced by the amount of that deductible.

f. Other Insurance

The insurance provided by this endorsement is excess over any other insurance carried by the insured which applies to a loss covered by this endorsement.

SCHEDULE

Occurrence Limit	Aggregate Limit
\$5,000	\$10,000

**ADDITIONAL INSURED - OWNERS, LESSEES OR CONTRACTORS -
AUTOMATIC STATUS WHEN REQUIRED IN CONSTRUCTION
AGREEMENT WITH YOU**

CB-7332(5-13)

This endorsement modifies insurance provided under the following:

BIS-PAK BUSINESS LIABILITY AND MEDICAL EXPENSES COVERAGE FORM

1. Who Is An Insured is amended to include as an additional insured:
 - a. Any person or organization for whom you are performing operations when you and such person or organization have agreed in writing in a contract or agreement that such person or organization be added as an additional insured on your policy; and
 - b. Any other person or organization you are required to add as an additional insured under the contract or agreement described in paragraph a above.

Such person or organization is an additional insured only with respect to liability for *bodily injury, property damage or personal and advertising injury* caused, in whole or in part, by:

- a. Your acts or omissions; or
- b. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured. A person's or organization's status as an additional insured under this endorsement ends when your operations for that additional insured are completed.

2. With respect to the insurance afforded these additional insureds, the following additional exclusions apply:

This insurance does not apply to:

- a. *Bodily injury, property damage or personal and advertising injury* arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:
 - (1) The preparing, approving or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (2) Supervisory, inspection, architectural or engineering activities.
- b. *Bodily injury or property damage* occurring after:
 - (1) All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
 - (2) That portion of *your work* out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

FUNGI OR BACTERIA EXCLUSION (LIABILITY)

CB-0577(4-10)

This endorsement modifies insurance provided under the following:

BIS-PAK BUSINESS LIABILITY AND MEDICAL EXPENSES COVERAGE FORM

- A. The following exclusion is added to Paragraph 1 under Exclusions:

Fungi or Bacteria

- (1) *Bodily injury, property damage, personal injury or advertising injury* which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any *fungi* or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.

- (2) Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, *fungi* or bacteria, by any insured or by any other person or entity.

This exclusion does not apply to any *fungi* or bacteria that are, are on, or are contained in, a good or product intended for bodily consumption.

- B. The following definition is added to Liability and Medical Expenses Definitions:

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

BUSINESS LIABILITY COVERAGE - PROPERTY DAMAGE LIABILITY DEDUCTIBLE (PER CLAIM BASIS)

CB-0703(1-97)

This endorsement modifies insurance provided under the following:

BIS-PAK BUSINESS LIABILITY AND MEDICAL EXPENSES COVERAGE FORM

- 1. Our obligation under Liability and Medical Expenses Coverages to pay damages on your behalf because of *property damage* applies only to the amount of damages in excess of the deductible amount shown in the Schedule.
- 2. The deductible amount shown in the Schedule applies to all damages sustained by any one person or organization because of *property damage* as the result of any one *occurrence*.
- 3. The terms of this insurance, including those with

respect to:

- a. Our right and duty to defend the insured against any *suits* seeking those damages; and
 - b. Your duties in the event of an *occurrence*, claim, or *suit*;
- apply irrespective of the application of the deductible amount.
- 4. We may pay any part or all of the deductible amount to effect settlement of any claim or *suit* and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

SCHEDULE

**Deductible Amount
Per Claim**

\$250

This deductible applies only with respect to claims emanating from any:

SPRAY PAINTING

ACUITY ADVANTAGES - LIABILITY COVERAGES

CB-7264(4-10)

This endorsement modifies insurance provided under the following:

BIS-PAK BUSINESS LIABILITY AND MEDICAL EXPENSES COVERAGE FORM

- 1. Paragraph 1f(1)(b) under Liability and Medical Expenses Coverages is replaced by the following:
 - (b) Up to \$750 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which Business Liability Coverage for *bodily injury* applies. We do not have to furnish these bonds.
- 2. Paragraph 1f(1)(d) under Liability and Medical Expenses Coverages is replaced by the following:
 - (d) All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or *suit*, including actual loss of earnings up to \$300

a day because of time off from work.

- 3. Paragraph 3a under Who Is An Insured is replaced by the following:
 - a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
- 4. The following is added to the Duties in the Event of Occurrence, Offense, Claim or Suit Condition:

Knowledge of an *occurrence*, offense, claim or *suit* by an agent or *employee* of any insured shall not in itself constitute knowledge of the insured unless your partners, *executive officers*, directors, managers, members or a person who has been designated by them to receive reports of *occurrences*, offenses, claims or *suits* shall have received such notice from the agent or *employee*.

CONTRACTOR'S ENDORSEMENT - ACCOUNTS RECEIVABLE

CB-7023(9-04)

This endorsement modifies insurance provided under the following:

DELUXE BIS-PAK PROPERTY COVERAGE FORM

The following provisions apply to the coverage provided by this endorsement:

1. COVERAGE

The Property Coverages section is replaced by the following:

a. We will pay:

- (1) All amounts due from your customers that you are unable to collect;
- (2) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
- (3) Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and
- (4) Other reasonable expenses that you incur to re-establish your records of accounts receivable.

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

b. Covered Causes of Loss

We cover direct physical loss to the accounts receivable records unless the loss is excluded. The loss must be due to an external cause.

2. EXCLUSIONS

Property Exclusions does not apply to this Coverage except for:

- a. 1c, Governmental Action;
- b. 1d, Nuclear Hazard;
- c. 1f, War and Military Action;
- d. 2f, Dishonesty;
- e. 2g, False Pretense;
- f. 3; and
- g. 5, Accounts Receivable Exclusion.

3. LIMIT OF INSURANCE

The Property Limits of Insurance section is replaced by the following:

The most we will pay for loss or damage in any one occurrence is \$1,000.

4. Property Extensions of Coverage and Property Optional Coverages do not apply.