

CHAMP PROGRAM

ATHENS CLAIM REPORTING PROCEDURES

FOR ALL NEW REPORTS STARTING NOVEMBER 1, 2018

All claims regardless of severity or location should be reported. The Athens Administrators Claims Intake Center is ready to accept new losses and provides multiple ways for you to submit new loss reports:

E-mail: NsmCHAMP@AthensAdmin.com

FAX: (916) 384-0965

Telephone: 1-888-607-6642

Mail: Athens Insurance Services, Inc.
P. O. Box 4111
Concord, CA 94524

The Athens Claims Intake Center will review all claims notices upon receipt and assign to the handling claims office. A claim acknowledgement will then be transmitted to the designated individual advising of the Athens claim number and adjuster assigned to the claim.

Notices that do not require action (“incident reports”) should be marked “**REPORT ONLY**”

***If after hours-emergency claims service is required, please advise the call center agent who will advise Athens to dispatch an on-site adjuster.**



POLICYHOLDER NOTICE

Taxes, Assessments and/or Surcharges

The taxes, assessments and/or surcharges shown on the declarations page or any premium schedule are collected on behalf of the applicable State(s) and in accordance with such State's laws and regulations. The payment of these taxes, assessments and/or surcharges is the responsibility of the Named Insured. In the event the applicable State implements a new tax, assessment and/or surcharge or increases such tax, assessment and/or surcharge during the term of this policy, the Named Insured shall remain responsible for the payment of all amounts due under the policy, including those newly implemented or increased taxes, assessments and/or surcharges.

Any newly implemented or increased taxes, assessments and/or surcharges shall apply on the effective date dictated by the applicable State regardless:

1. Of when the Insurance Company implements the new or increased tax, assessment or surcharge into its systems; or
2. If the Insurance Company recalculates the Named Insured's premium in accordance with the policy's terms and conditions as part of a premium audit after the end of the policy period.

**SOUTH CAROLINA NOTICE TO POLICYHOLDER
WINDSTORM OR HAIL WITH NAMED STORM
PERCENTAGE DEDUCTIBLE RENEWAL ACKNOWLEDGEMENT**

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

EXAMPLES – APPLICATION OF DEDUCTIBLE:

APPLICATION OF DEDUCTIBLE – SPECIFIC INSURANCE

The Percentage Deductible is 2%.

The minimum per occurrence deductible is \$1,000.

Example #1

The Limits of Insurance of the damaged buildings at time of loss are:

Building #1: \$100,000.

Building #2: \$ 5,000.

Building #1 is undamaged.

The amount of loss to Building #2 is \$4,000.

Step (1) : $\$5,000 \times 2\% = \100 . (percentage deductible)

Step (2) : The percentage deductible is less than the Minimum Per Occurrence Deductible

Step (3) : Therefore the Minimum Per Occurrence Deductible is \$1,000. applies

Step (4) : $\$4,000 - \$1,000 = \$3,000$

The most we will pay is \$3,000.

Example #2

The Limits of Insurance of the damaged buildings at time of loss are:

Building #1: \$100,000.

Building #2: \$ 5,000.

The amount of loss to Building #1 is \$25,000.

The amount of loss to Building #2 is \$4,000.

Calculation of deductible for Building #1:

- $\$100,000 \times 2\% = \$2,000$. (percentage deductible)

Calculation of deductible for Building #2:

- $\$5,000 \times 2\% = \100 . (percentage deductible)

Step (1) : Total deductibles applicable are \$2,100. which exceeds the Minimum Per Occurrence Deductible

Step (2) : Therefore the Minimum Per Occurrence Deductible does not apply, and the Percentage Deductibles shall be applied to the property that has sustained covered loss

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Step (3) : Building #1: $\$25,000 - \$2,000 = \$23,000$

Step (4): Building #2: $\$4,000 - \$100 = \$3,900$

The most we will pay is \$26,900.

Example #3

The Limits of Insurance of the damaged buildings at time of loss are:

Building #1: \$100,000. Building and \$10,000. Personal Property

Building #2: \$ 5,000. Building and \$ 1,000. Personal Property

Building #1 is undamaged.

The amount of loss at Building #2 is \$4,000 Building and \$500 Personal Property.

Step (1) : $\$5,000 \times 2\% = \100 . (percentage deductible - building)

Step (2): $\$1,000 \times 2\% = \$ 20$. (percentage deductible – personal property)

Step (3): The percentage deductible is less than the Minimum Per Occurrence Deductible

Step (4) : Therefore the Minimum Per Occurrence Deductible is \$1,000. applies

Step (5) : $\$4,500 - \$1,000 = \$3,500$

The most we will pay is \$3,500.

Example #4

The Limits of Insurance of the damaged buildings at time of loss are:

Building #1: \$100,000. Building and \$10,000. Personal Property

Building #2: \$ 5,000. Building and \$ 1,000. Personal Property

The amount of loss at Building #1 is \$25,000 Building and \$5,000 Personal Property.

The amount of loss at Building #2 is \$4,000 Building and \$500 Personal Property.

Calculation of deductible for Building #1:

- $\$100,000 \times 2\% = \$2,000$. (percentage deductible - building)
- $\$ 10,000 \times 2\% = \$ 200$. (percentage deductible – personal property)

Calculation of deductible for Building #2:

- $\$5,000 \times 2\% = \100 . (percentage deductible - building)
- $\$1,000 \times 2\% = \$ 20$. (percentage deductible – personal property)

Step (1) : Total deductibles applicable are \$2,320. which exceeds the Minimum Per Occurrence Deductible.

Step (2) : Therefore Minimum Per Occurrence Deductible does not apply, and the Percentage Deductibles shall be applied to the property that has sustained covered loss.

Step (3) : Building #1: $\$30,000 - \$2,200 = \$27,800$

Step (4): Building #2: $\$ 4,500 - \$ 120 = \$ 4,380$

The most we will pay is \$32,180.

I have reviewed and acknowledge the examples of percentage deductible application.

Signature of Named Insured

Date

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COMMON POLICY DECLARATIONS

Master Policy Number: CH1EC-01181-0

Name and Address of the Insured Belle Isle Yacht Club Regime 4 1142 Belle Isle Road Georgetown, SC 29440	Producer NSM Insurance Services LLC 555 North Lane Suite 6060 Conshohocken, PA 19428
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Effective From 05/31/2023 To 05/31/2024 ;
 Both days at 12:01 a.m. standard time at the Insured's mailing address.
 Insurance is effective with: Insurer(s) as stated on form NSM CP 00 26 04 21 Insurer Subscription Endorsement.

This Policy consists of the following coverage parts for which a premium is indicated. Premiums may be subject to adjustment per terms of the Policy.

COMMERCIAL PROPERTY COVERAGE PART

	Policy No.		Premium
Arch Specialty Insurance Company	NMPPR0109501	Property	\$ 34,927.30
		TRIA	\$ NOT COVERED
		NSM Policy Fee	\$ 250.00
		Inspection Fee	\$ 300.00
		Surplus Lines Tax	\$ 2,136.13
		Stamping Fee	\$
		Other Fee	\$ 125.00
Old Republic Union Insurance Company	ORNSPR001524-01	Property	\$ 3,822.70
		TRIA	\$ NOT COVERED
		Surplus Lines Tax	\$ 229.37
		Stamping Fee	\$
		Other Fee	\$
		Property	\$
		TRIA	\$
		Surplus Lines Tax	\$
		Stamping Fee	\$
		Other Fee	\$
TOTAL PREMIUM			\$ 38,750

Minimum Earned Premium \$9,687.50

Dated: 05/25/2023 By:  Correspondent and/or Program Manager for the Company(ies)
 Authorized Representative

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



ARCH SPECIALTY INSURANCE COMPANY

(A Missouri Corporation)

Home Office Address:
2345 Grand Blvd., Suite 900
Kansas City, MO 64108

Administrative Address:
Harborside 3
210 Hudson Street, Suite 300
Jersey City, NJ 07311
Tel: (866)-413-5550

FORMS SCHEDULE

POLICY NO: CH1EC-01181-0

RENEWAL OF: CH1EC-00088-01

NAMED INSURED AND MAILING ADDRESS

Belle Isle Yacht Club Regime 4
1142 Belle Isle Road
Georgetown, SC 29440

PRODUCER MAILING ADDRESS

NSM INSURANCE GROUP LLC
555 NORTH LANE, SUITE 6060
CONSHOHOCKEN, PA 19428

POLICY PERIOD: FROM 05/31/2023 TO 05/31/2024 AT 12:01 AM STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE.

NOTE: IF NO ENTRY APPEARS ON THE ENDORSEMENTS DESCRIBED BELOW, INFORMATION REQUIRED TO COMPLETE THE FORM WILL BE SHOWN ON THE SUPPLEMENTAL FORM DECLARATION IMMEDIATELY FOLLOWING THE APPLICABLE ENDORSEMENT.

	COMMON POLICY PACKAGE
118477 03/15	Policyholder Notice on Taxes Assessments Surcharges
121938 10/17	SC Notice To Policyholder Windstorm or Hail with Named Storm Percentage Deductible R
NSM DS 00 04/21	Common Policy Declarations
NSM 7005 02/20	Forms Schedule
NSM CP 00 26 04/21	Insurer Subscription Endorsement
06 ML0002 00 12/14	Arch Signature Page
IL 0017 11/98	Common Policy Conditions
ORU IL 00 59 01/21	Old Republic Union Insurance Company Surplus Lines Endorsement
IL 09 91 12/03	Terrorism Exclusion
89644 06/13	Economic Sanctions Endorsement (OFAC)
00 CP 0132 00 03/21	Minimum Earned Premium Endorsement
IL 0935 07/02	Exclusion of Certain Computer Related Losses
IL 0194 10/12	South Carolina Changes Legal Action Against Us
IL 0249 09/08	South Carolina Changes Cancellation and Nonrenewal
	COMMERCIAL PROPERTY FORMS
06 CP 0122 00 03/21	Commercial Property Coverage Part Declarations
CP 0090 07/88	Commercial Property Conditions
CP 1030 09/17	Cause of Loss - Special Form
CP 0017 10/12	Condominium Association Coverage Form
CP 0140 07/06	Exclusion of Loss Due to Virus of Bacteria
EB 00 20 01/13	Equipment Breakdown Coverage Form
CP 1045 10/12	Earthquake and Volcanic Eruption (Sub Limit Form)
00 CP 0129 00 03/21	Coastal Habitational Amendatory Endorsement
CP 0320 10/92	Multiple Deduct (Fixed Dollar Deduct)
00 CP 0126 00 03/21	Windstorm or Hail Named Storm Deductible Endorsement
00 CP 0131 00 03/21	Wind Driven Precipitation Endorsement
00 EXP 0202 00 08/15	Roof Surfacing Valuation Limitation
00 CP 0123 00 03/21	Amount of Insurance Schedule Endorsement
CP 0405 09/17	Ordinance or Law
00 CP 0128 00 03/21	Arbitration Endorsement
CP 1075 12/20	Cyber Incident Exclusion

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

INSURER SUBSCRIPTION ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART

The subscribing Company(ies) or Underwriter(s), hereinafter referred to as the "Insurers" agree to provide coverage to the Named Insured for the amount recoverable in accordance with the terms and conditions of this Policy up to each of their participation percentages shown in the subscription Schedule as their participation percentage relates to 100%.

Any loss payable shall be distributed proportionately to each respective Insurer based on their participation percentage shown in this subscription Schedule.

Each of the subscribing Insurers agree they are bound severally, and not jointly, to provide coverage to the Insured for the amount recoverable in accordance with the terms and conditions of the Policy, and the Insurers shall not have their contributions increased, for any reason, including but not limited to:

1. The receivership, bankruptcy, insolvency, liquidation, or dissolution of any other subscribing Insurer;
2. The denial or reservation of rights with respect to any claim by any other subscribing Insurer;
3. The cancellation, non-renewal, or other termination of any other policy issued by or to a subscribing Insurer; or
4. The inability, refusal, or failure, for any reason, of any Insurer to fulfill its duties or obligations under any other policy or agreement.

100% Limit of Liability - For each Named Insured, Property Declarations - NSM 9329 02 20 shows the total maximum limits available under the Policy. Any sub-limited coverage(s) provided under the policy is limited to the same subscriber participation, with the exception of Equipment Breakdown Coverage which is borne 100% by Arch Specialty Insurance Company.

The following Insurers execute and subscribe to the terms and conditions under this Insurance Policy and respectively agree to their participation percentage provided in the Schedule below.

Insurer Subscription Schedule

Insurer Company Abbreviations	Policy #	Subscription Percentage	Equipment Breakdown Subscription Percentage
ORU	ORNSPR001524-01	10%	0%
ARCH	NMPRP0109501	90%	100%

SUBSCRIBING COMPANIES

Old Republic Union Insurance Company
Arch Specialty Insurance Company

Abbreviation

ORU
ARCH



Signature Page

IN WITNESS WHEREOF, Arch Specialty Insurance Company has caused this policy to be executed and attested.

A handwritten signature in cursive script that reads "Brian D. First".

Brian D. First
President

A handwritten signature in cursive script that reads "Regan A. Shulman".

Regan Shulman
Secretary

COMMON POLICY CONDITIONS

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

B. Changes

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

C. 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.

D. 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.

E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. Transfer Of Your Rights And Duties Under This Policy

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

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

OLD REPUBLIC UNION INSURANCE COMPANY SURPLUS LINES ENDORSEMENT

THE INSURED ACKNOWLEDGES AND ACCEPTS THAT THE BELOW STATEMENTS APPLY BASED ON THE HOME STATE OF THE NAMED INSURED. THE HOME STATE OF THE NAMED INSURED SHALL BE DETERMINED IN ACCORDANCE WITH THE PROVISIONS OF THE NON-ADMITTED AND REINSURANCE REFORM ACT OF 2010, 15. U.S.C. §8201, et seq. ("NRRRA"), AND THE APPLICABLE LAW OF THE HOME STATE GOVERNING CANCELLATION OR NON-RENEWAL OF INSURANCE SHALL APPLY TO THIS POLICY.

I. FRAUD WARNING

Applicable in AL

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to restitution, fines, or confinement in prison or any combination thereof.

Applicable in AR

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

Applicable in CO

It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.

Applicable OK

WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

II. U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") ADVISORY NOTICE TO POLICYHOLDERS

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. **Please read this Notice carefully.**

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- Foreign agents;
- Front organizations;

- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site – <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

III. TRADE OR ECONOMIC SANCTIONS ENDORSEMENT

This insurance does not apply to the extent that trade or economic sanctions or similar laws or regulations prohibit us from providing insurance, including, but not limited to, the payment of claims. All other terms and conditions of this policy remain unchanged.

IV. POLICYHOLDER NOTICES

ALASKA POLICYHOLDER NOTICE

ALASKA SURPLUS LINES POLICYHOLDER NOTICE

3 – AAC 25.050

This policy is issued by a non-admitted or surplus lines insurer. Insurance may only be purchased from non-admitted insurers if the full amount, kind, or class of insurance cannot be obtained from insurers who are admitted to do business in the State of Alaska. Your broker or the surplus lines broker has determined that this was true on the date the policy was placed. Before issuing a renewal policy or extending this policy, remarketing is required. To avoid intentional or unintentional extension of coverage in the surplus lines market when an admitted market for that coverage exists, a non-admitted insurer is prohibited from the automatic renewal or extension of a policy without remarketing by your broker or the surplus lines broker.

In order to comply with the Alaska Administrative Code, the following notice is given:

You are hereby notified that, under 3 AAC 25.050, your policy will terminate effective no later than the date and time of its expiration. We reserve the right to cancel this policy sooner than the expiration date by giving you notice of cancellation as required in AS 21.36.220. You may request through your broker that a new policy from the surplus lines broker be concurrent with the effective date of the termination of this policy. You are also notified that a new policy, if issued by us, is subject to rating, which may result in a premium increase of more than ten percent (10%). As required by 3 AAC 25.050, you are hereby notified that any subsequent policy issued by us may be subject to a ten percent (10%) or more increase in premium. The actual premium will be based upon rates that apply at the time a subsequent policy, if any, is issued and will be made available to you before the effective date of the new policy, or the date subsequent coverage is bound, whichever occurs first.

MINNESOTA POLICYHOLDER NOTICE

**MINNESOTA NOTICE OF POLICYHOLDER RIGHTS IN AN INSOLVENCY UNDER THE
MINNESOTA INSURANCE GUARANTY ASSOCIATION LAW**

**NOTICE CONCERNING POLICYHOLDER RIGHTS IN INSOLVENCY UNDER THE MINNESOTA
INSURANCE GUARANTY ASSOCIATION LAW**

The financial strength of your insurer is one of the most important things for you to consider when determining from whom to purchase a property or liability insurance policy. It is your best assurance that you will receive the protection for which you purchased the policy. If your insurer becomes insolvent, you may have protection from the Minnesota Insurance Guaranty Association as described below but to the extent that your policy is not protected by the Minnesota Insurance Guaranty Association or if it exceeds the guaranty association's limits, you will only have the assets, if any, of the insolvent insurer to satisfy your claim.

Residents of Minnesota who purchase property and casualty or liability insurance from insurance companies licensed to do business in Minnesota are protected, SUBJECT TO LIMITS AND EXCLUSIONS, in the event the insurer becomes insolvent. This protection is provided by the Minnesota Insurance Guaranty Association.

Minnesota Insurance Guaranty Association
7600 Parklawn Ave # 460
Edina, MN 55435-5137
(952) 831-1908

The maximum amount that the Minnesota Insurance Guaranty Association will pay in regard to a claim under all policies issued by the same insurer is limited to \$300,000. This limit does not apply to workers' compensation insurance. Protection by the guaranty association is subject to other substantial limitations and exclusions. If your claim exceeds the guaranty association's limits, you may still recover a part or all of that amount from the proceeds of the liquidation of the insolvent insurer, if any exist. Funds to pay claims may not be immediately available. The guaranty association assesses insurers licensed to sell property and casualty or liability insurance in Minnesota after the insolvency occurs. Claims are paid from the assessment.

THE PROTECTION PROVIDED BY THE GUARANTY ASSOCIATION IS NOT A SUBSTITUTE FOR USING CARE IN SELECTING INSURANCE COMPANIES THAT ARE WELL MANAGED AND FINANCIALLY STABLE. IN SELECTING AN INSURANCE COMPANY OR POLICY, YOU SHOULD NOT RELY ON PROTECTION BY THE GUARANTY ASSOCIATION.

TEXAS POLICYHOLDER NOTICE

TEXAS IMPORTANT NOTICE
Have a complaint or need help?

If you have a problem with a claim or your premium, call your insurance company. If you can't work out the issue, the Texas Department of Insurance may be able to help.

Even if you file a complaint with the Texas Department of Insurance, you should also file a complaint or appeal through your insurance company. If you don't, you may lose your right to appeal.

Old Republic Union Insurance Company

To get information of file a complaint with your insurance company:

Call: 215-860-4960

Email: ConsumerComplaints31143@oldrepublic.com

Mail: 307 N. Michigan Avenue, Chicago, IL 60601

The Texas Department of Insurance:

To get help with an insurance question or file a complaint with the state:

Call with a question: 1-800-252-3439

File a complaint: www.tdi.texas.gov

Email: ConsumerProtection@tdi.texas.gov

Mail: MC 111-1A, P.O. Box 149091, Austin, TX 78714-9091

¿Tiene una queja o necesita ayuda?

Si tiene un problema con una reclamación o con su prima de seguro, llame primero a su compañía de seguros o HMO. Si no puede resolver el problema, es posible que el Departamento de Seguros de Texas (Texas Department of Insurance, por su nombre en inglés) pueda ayudar.

Aun si usted presenta una queja ante el Departamento de Seguros de Texas, también debe presentar una queja a través del proceso de quejas o de apelaciones de su compañía de seguros o HMO. Si no lo hace, podría perder su derecho para apelar.

Compañía de seguros Old Republic Union

Para obtener información o para presentar una queja ante su compañía de seguros o HMO:

Teléfono gratuito: 215-860-4960

Correo electrónico: ConsumerComplaints31143@oldrepublic.com

Dirección postal: 307 N. Michigan Avenue, Chicago, IL 60601

El Departamento de Seguros de Texas

Para obtener ayuda con una pregunta relacionada con los seguros o para presentar una queja ante el estado:

Llame con sus preguntas al: 1-800-252-3439

Presente una queja en: www.tdi.texas.gov

Correo electrónico: ConsumerProtection@tdi.texas.gov

Dirección postal: MC 111-1A, P.O. Box 149091, Austin, TX 78714-9091

V. SERVICE OF SUIT

ALL STATES (EXCEPT ILLINOIS)

This endorsement modifies insurance provided under all policies underwritten by Old Republic Union Insurance Company. The following is added:

Service of Suit

Old Republic Union Insurance Company hereby designates the Superintendent of Insurance, Insurance Commissioner, Director of Insurance, or other officer specified by law, pursuant to the laws of the State where this policy is delivered, as its true and lawful attorney upon whom may be served any lawful process in any action, suit, or proceeding instituted in the State in which this policy is delivered, by or on behalf of, the insured or any beneficiary hereunder arising out of this contract of insurance.

For such service of process to be valid, it must state the name of the insured, Old Republic Union Insurance Company as the unauthorized insurer, and identify the contract of insurance to which the service of process pertains. Further, service may also be made to:

Old Republic Union Insurance Company
C/O Secretary
307 N. Michigan Avenue
Chicago, Illinois 60601

ILLINOIS

This endorsement modifies insurance provided under all policies underwritten by Old Republic Union Insurance Company. The following is added:

Service of Suit:

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

For such service of process to be valid, it must state the name of the insured, Old Republic Union Insurance Company as the unauthorized insurer, and identify the contract of insurance to which the service of process pertains. The address of the Director of the Illinois Department of Insurance is:

Director of Insurance
Illinois Department of Insurance
320 W. Washington St., 4th Floor
Springfield, Illinois 62767-0001

Further, service may also be made to:

Old Republic Union Insurance Company
C/O Secretary
307 N. Michigan Avenue
Chicago, Illinois 60601

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION OF CERTIFIED ACTS AND OTHER ACTS OF
TERRORISM INVOLVING NUCLEAR, BIOLOGICAL OR
CHEMICAL TERRORISM; CAP ON COVERED CERTIFIED
ACTS LOSSES**

This endorsement modifies insurance provided under the following:

- BOILER AND MACHINERY COVERAGE PART
- COMMERCIAL CRIME COVERAGE FORM
- COMMERCIAL CRIME POLICY
- COMMERCIAL INLAND MARINE COVERAGE PART
- COMMERCIAL PROPERTY COVERAGE PART
- EMPLOYEE THEFT AND FORGERY POLICY
- FARM COVERAGE PART
- GOVERNMENT CRIME COVERAGE FORM
- GOVERNMENT CRIME POLICY
- KIDNAP/RANSOM AND EXTORTION COVERAGE FORM
- KIDNAP/RANSOM AND EXTORTION POLICY
- STANDARD PROPERTY POLICY

SCHEDULE

The **Exception Covering Certain Fire Losses** (Paragraph C) applies to property located in the following state(s), if covered under the indicated Coverage Form, Coverage Part or Policy:

State(s)	Coverage Form, Coverage Part Or Policy
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. The following definitions are added with respect to the provisions of this endorsement:

1. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The criteria contained in that Act for a "certified act of terrorism" include the following:
 - a. The act resulted in aggregate losses in excess of \$5 million; 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 acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
2. "Other act of terrorism" means a violent act or an act that is dangerous to human life, property or infrastructure that is committed by an individual or individuals and that appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion, and the act is not certified as a terrorist act pursuant to the federal Terrorism Risk Insurance Act of 2002.

B. The following exclusion is added:

LIMITED EXCLUSION OF CERTIFIED ACTS AND OTHER ACTS OF TERRORISM

We will not pay for loss or damage caused directly or indirectly by a "certified act of terrorism" or an "other 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. But this exclusion applies only when one or more of the following are attributed to such act:

1. 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
2. Radioactive material is released, and it appears that one purpose of the terrorism was to release such material; or
3. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical material; or

4. Pathogenic or poisonous biological or chemical material is released, and it appears that one purpose of the terrorism was to release such material.

When this terrorism exclusion is made applicable in accordance with the terms of Paragraph **B.1.** or **B.2.**, the terrorism exclusion applies without regard to the Nuclear Hazard Exclusion in this Coverage Part or Policy.

C. Exception Covering Certain Fire Losses

The following exception to the exclusion in **B.** above applies only if indicated and as indicated in the Schedule of this endorsement.

If a "certified act of terrorism" or an "other act of terrorism" excluded under Paragraph **B.** 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 coverage forms or endorsements that apply to those coverage forms, or to the Legal Liability Coverage Form or the Leasehold Interest Coverage Form.

D. Cap On Certified Terrorism Losses

The following limitation applies to coverage for any one or more "certified acts of terrorism" that are not excluded by the terms of the exclusion in Paragraph **B.** and to any loss or damage (from a "certified act of terrorism") that is covered and to which the exception in Paragraph **C.** applies:

We will not pay any amounts for which we are not responsible under the terms of the Terrorism Risk Insurance Act of 2002 (including subsequent action of Congress pursuant to the Act) due to the application of any clause which results in a cap on our liability for payments for terrorism losses.

E. Application Of Exclusions

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ENDORSEMENT #

This endorsement, effective 12:01 A.M. 05/31/2023 forms a part of Policy
No. CH1EC-01181-0 issued to Belle Isle Yacht Club Regime 4
by CHAMP East Coast

ECONOMIC SANCTIONS ENDORSEMENT

This endorsement modifies insurance provided under the following:

The Insurer shall not be deemed to provide cover and the Insurer shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the Insurer, its parent company or its ultimate controlling entity to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union or the United States of America.

AUTHORIZED REPRESENTATIVE

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SERVICE OF SUIT

It is agreed that:

1. In the event of the failure of the **Insurer** to pay any amount claimed to be due hereunder, the **Insurer**, at the request of the **Insured**, will submit to the jurisdiction of any court of competent jurisdiction within the United States and will comply with all requirements necessary to give such court jurisdiction. All matters arising under this Policy shall be determined in accordance with the law and practice of such Court, provided that nothing shall prohibit the **Insurer** from removing any action, suit or proceeding to a United States District Court. The **Insurer** shall abide by the final decision of such court or any appellate court in the event of an appeal.
2. Service of process in the above described action, suit or proceeding may be made upon: General Counsel, Arch Insurance Group Inc., 300 Plaza Three, Jersey City, NJ 07311-1107. Upon the request of the **Insured**, such General Counsel shall give a written undertaking to enter an appearance on behalf of the **Insurer** in the event that such an action, suit or proceeding shall be instituted.
3. Pursuant to any statute of any state, territory or district of the United States which makes provision therefore, the **Insurer** hereby designates the Superintendent, Commissioner, or Director of Insurance or other officer specified in such statute as its true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted against the **Insurer** upon this Policy. The Superintendent, Commissioner or Director of Insurance or other officer is hereby authorized and directed to accept service of process on behalf of the **Insurer** in any such action, suit or proceeding and to mail a copy of such process to the above mentioned General Counsel.

All other terms and conditions of this Policy remain unchanged.

Endorsement Number:

Policy Number: CH1EC-01181-0

Named Insured: Belle Isle Yacht Club Regime 4

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date: 05/31/2023

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MINIMUM EARNED PREMIUM ENDORSEMENT

This endorsement modifies insurance provided by the policy. The Common Policy Conditions are modified as follows:

1. Paragraph 5 of Condition A. Cancellation is deleted and replaced with the following paragraph:
 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 Name Insured cancels, earned premium will be computed according to the customary short-rate table and procedure subject to a Minimum Earned Premium of : \$9,687.50 The cancellation will be effective even if we have not made or offered a refund.

All other terms and conditions of this Policy remain unchanged.

Endorsement Number:

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Policy Number: CH1EC-01181-0

Named Insured: Belle Isle Yacht Club Regime 4

Endorsement Effective Date: 05/31/2023

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Page 1 of 1

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
CRIME AND FIDELITY COVERAGE PART
STANDARD PROPERTY POLICY

- A.** We will not pay for loss ("loss") or damage caused directly or indirectly by the following. Such loss ("loss") or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss ("loss") or damage.
- 1.** The failure, malfunction or inadequacy of:
 - a.** Any of the following, whether belonging to any insured or to others:
 - (1)** Computer hardware, including microprocessors;
 - (2)** Computer application software;
 - (3)** Computer operating systems and related software;
 - (4)** Computer networks;
 - (5)** Microprocessors (computer chips) not part of any computer system; or
 - (6)** 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.1.a.** of this endorsement;

due to the inability to correctly recognize, process, 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 **A.1.** of this endorsement.
- B.** If an excluded Cause of Loss as described in Paragraph **A.** of this endorsement results:
- 1.** In a Covered Cause of Loss under the Crime and Fidelity Coverage Part, the Commercial Inland Marine Coverage Part or the Standard Property Policy; or
 - 2.** Under the Commercial Property Coverage Part:
 - a.** In a "Specified Cause of Loss", or in elevator collision resulting from mechanical breakdown, under the Causes of Loss – Special Form; or
 - b.** In a Covered Cause of Loss under the Causes Of Loss – Basic Form or the Causes Of Loss – Broad Form;

we will pay only for the loss ("loss") or damage caused by such "Specified Cause of Loss", elevator collision, or Covered Cause of Loss.
- C.** We will not pay for repair, replacement or modification of any items in Paragraphs **A.1.a.** and **A.1.b.** of this endorsement to correct any deficiencies or change any features.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SOUTH CAROLINA CHANGES – LEGAL ACTION AGAINST US

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
FARM COVERAGE PART – FARM LIVESTOCK COVERAGE FORM
FARM COVERAGE PART – FARM MOBILE AGRICULTURAL MACHINERY AND EQUIPMENT COVERAGE FORM
FARM COVERAGE PART – FARM PROPERTY – OTHER FARM PROVISIONS FORM – ADDITIONAL COVERAGES, CONDITIONS, DEFINITIONS
STANDARD PROPERTY POLICY

- A.** The **Legal Action Against Us** Condition, in the Commercial Property Conditions, the Standard Property Policy, the Capital Assets Program Coverage Form (Output Policy), and in the Farm Forms listed above, is replaced by the following:
- LEGAL ACTION AGAINST US**
- No one may bring a legal action against us under this Coverage Part, Coverage Form or Policy to which this Condition applies unless:
1. There has been full compliance with all of the terms of this Coverage Part, Coverage Form or Policy; and
 2. The action is brought within 3 years after the date on which the direct physical loss ("loss") or damage occurred.
- B.** Under the Commercial Property Coverage Part, Paragraph **(1)** of the **Legal Action Against Us** Condition in the Mortgageholders Errors And Omissions Coverage Form is replaced by the following:
- (1)** No one may bring a legal action against us under Coverages A and B unless:
 - (a)** There has been full compliance with all of the terms of Coverages A and B; and
 - (b)** The action is brought within 3 years after you discover the error or accidental omission.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SOUTH CAROLINA CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
 COMMERCIAL GENERAL LIABILITY COVERAGE PART
 COMMERCIAL INLAND MARINE COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART
 CRIME AND FIDELITY COVERAGE PART
 EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
 EQUIPMENT BREAKDOWN COVERAGE PART
 FARM COVERAGE PART
 LIQUOR LIABILITY COVERAGE PART
 MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
 POLLUTION LIABILITY COVERAGE PART
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

- A.** Paragraphs **2.** and **3.** of **Cancellation** Common Policy Condition are replaced by the following:
- 2.** We may cancel this policy by mailing or delivering to the first Named Insured and the agent, if any, written notice of cancellation at least:
 - a.** 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b.** 30 days before the effective date of cancellation if we cancel for any other reason.
 - 3.** We will mail or deliver our notice to the first Named Insured's and agent's last known addresses.
- B.** The following is added to the **Cancellation** Common Policy Condition:
- 7. Cancellation Of Policies In Effect For 120 Days Or More**
- If this policy has been in effect for 120 days or more, or is a renewal or continuation of a policy we issued, we may cancel this policy only for one or more of the following reasons:
- a.** Nonpayment of premium;
 - b.** Material misrepresentation of fact which, if known to us, would have caused us not to issue the policy;
 - c.** Substantial change in the risk assumed, except to the extent that we should reasonably have foreseen the change or contemplated the risk in writing the policy;
 - d.** Substantial breaches of contractual duties, conditions or warranties; or
 - e.** Loss of our reinsurance covering all or a significant portion of the particular policy insured, or where continuation of the policy would imperil our solvency or place us in violation of the insurance laws of South Carolina.
- Prior to cancellation for reasons permitted in this Item **e.**, we will notify the Commissioner, in writing, at least 60 days prior to such cancellation and the Commissioner will, within 30 days of such notification, approve or disapprove such action.
- Any notice of cancellation will state the precise reason for cancellation.

C. The following is added and supersedes any provisions to the contrary:

Nonrenewal

1. We will not refuse to renew a policy issued for a term of more than one year, until expiration of its full term, if anniversary renewal has been guaranteed by additional premium consideration.
2. If we decide not to renew this policy, we will:
 - a. Mail or deliver written notice of nonrenewal to the first Named Insured and agent, if any, before:
 - (1) The expiration date of this policy, if the policy is written for a term of one year or less; or
 - (2) An anniversary date of this policy, if the policy is written for a term of more than one year or for an indefinite term; and

b. Provide at least:

- (1) 60 days' notice of nonrenewal, when nonrenewal is to become effective between November 1 and May 31; or
 - (2) 90 days' notice of nonrenewal, when nonrenewal is to become effective between June 1 and October 31.
3. Any notice of nonrenewal will be mailed or delivered to the first Named Insured's and agent's last known addresses. If notice is mailed, proof of mailing will be sufficient proof of notice.
 4. Any notice of nonrenewal will state the precise reason for nonrenewal.



ARCH SPECIALTY INSURANCE COMPANY
(A Missouri Corporation)

Home Office Address:
2345 Grand Blvd., Suite 900
Kansas City, MO 64108

Administrative Address:
Harborside 3
210 Hudson Street, Suite 300 Jersey City,
NJ 07311
Tel: (866)-413-5550

COMMERCIAL PROPERTY COVERAGE PART
DECLARATIONS PAGE

POLICY NO: CH1EC-01181-0
RENEWAL OF: CH1EC-00088-01

NAMED INSURED AND MAILING ADDRESS

Belle Isle Yacht Club Regime 4
1142 Belle Isle Road
Georgetown, SC 29440

PRODUCER MAILING ADDRESS

NSM INSURANCE GROUP
555 NORTH LANE, SUITE 6060
CONSHOHOCKEN, PA 19428

POLICY PERIOD: FROM 05/31/2023 TO 05/31/2024 AT 12:01 AM STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE.

THE NAMED INSURED IS: Corporation

BUSINESS DESCRIPTION: Condominium Association

DESCRIPTION OF PREMISES

PREM NO.: 1 **BUILDING NO.:** 1

PROPERTY AT YOUR PREMISES

ADDRESS: 1168 Belle Isle Road, Georgetown, SC 29440
BUILDING DESCRIPTION:
PROTECTION CLASS: 4 **CONSTRUCTION:** Frame

COVERAGES PROVIDED

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

COVERAGE	COVERED CAUSES OF LOSS	DED	COINSURANCE	LIMIT OF INSURANCE
CONDOMINIUM ASSOCIATION	Special Including Theft	\$10,000	Agreed Value	\$4,758,374
Agreed Value	Bldg Limit			
Exp. Date:	05/31/2024			
Replacement Cost				

OPTIONAL COVERAGES				
PREM #	BLDG #	COVERAGE	LIMIT	FORM
ALL	ALL	Ordinance or Law B+C	\$1,000,000	
ALL	ALL	Equipment Breakdown	\$4,758,374	EB 00 20 01 13
ALL	ALL	Earthquake	\$4,758,374	
ALL	ALL	Wind Driven Rain	\$1,000,000	
ALL	ALL	Sewer Backup	\$250,000	

WINDSTORM AND HAIL				
Minimum Per Occurrence Deductible: \$25,000				
PREM NO.	BLDG NO.	DEDUCTIBLE		
ALL	ALL	5% Wind/Hail Deductible Named Storms		
ALL	ALL	\$25,000 All Other Wind/Hail Deductible		
BUSINESS INCOME Increased Waiting Period (Start of Restoration - Hours): 72				

TERRORISM RISK INSURANCE ACT IS REJECTED

TOTAL COMMERCIAL PROPERTY PREMIUM	\$38,750
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FORMS AND ENDORSEMENTS APPLICABLE TO ALL COVERAGE PARTS APPLYING TO COMMERCIAL PROPERTY COVERAGE PART AND MADE PART OF THIS POLICY AT THE TIME OF ISSUE: See Forms Schedule
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THESE DECLARATIONS, IF APPLICABLE, TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE FORM(S) AND ENDORSEMENTS, AND SUPPLEMENTAL FORM DECLARATIONS(S), IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

COMMERCIAL PROPERTY CONDITIONS

This Coverage Part is subject to the following conditions, the Common Policy Conditions and applicable Loss Conditions and Additional Conditions in Commercial Property Coverage Forms.

A. 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.

B. 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 Part 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.

C. 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.

D. LEGAL ACTION AGAINST US

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

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

E. 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.

F. NO BENEFIT TO BAILEE

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

G. 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.

H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

1. We cover loss or damage commencing:
 - a. During the policy period shown in the Declarations; and
 - b. Within the coverage territory.
2. The coverage territory is:
 - a. The United States of America (including its territories and possessions);
 - b. Puerto Rico; and
 - c. Canada.

I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

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:

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

This will not restrict your insurance.

CAUSES OF LOSS – SPECIAL FORM

Words and phrases that appear in quotation marks have special meaning. Refer to Section **G**. Definitions.

A. Covered Causes Of Loss

When Special is shown in the Declarations, Covered Causes of Loss means direct physical loss unless the loss is excluded or limited in this policy.

B. Exclusions

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

a. Ordinance Or Law

The enforcement of or compliance with 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:

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

b. Earth Movement

- (1) Earthquake, including 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 **b.(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 or damage to the described 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 Coverage Part.

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.

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 (if sprinkler leakage is a Covered Cause of Loss).

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

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

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

This exclusion does not apply:

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

Exclusions **B.1.a.** through **B.1.h.** apply whether or not the loss event results in widespread damage or affects a substantial area.

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

a. 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:

- (a) Electrical current, including arcing;
- (b) Electrical charge produced or conducted by a magnetic or electromagnetic field;
- (c) Pulse of electromagnetic energy; or
- (d) Electromagnetic waves or microwaves.

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

- b.** Delay, loss of use or loss of market.
- c.** Smoke, vapor or gas from agricultural smudging or industrial operations.

d.(1) Wear and tear;

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

(3) Smog;

(4) Settling, cracking, shrinking or expansion;

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

(6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision.

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

(a) Dampness or dryness of atmosphere;

(b) Changes in or extremes of temperature; or

(c) Marring or scratching.

But if an excluded cause of loss that is listed in **2.d.(1)** through **(7)** results in a "specified cause of loss" or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss" or building glass breakage.

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

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

- g.** Water, other liquids, powder or molten material that leaks or flows from plumbing, heating, air conditioning or other equipment (except fire protective systems) caused by or resulting from freezing, unless:
 - (1)** You do your best to maintain heat in the building or structure; or
 - (2)** You drain the equipment and shut off the supply if the heat is not maintained.
- h.** Dishonest or criminal act (including theft) by you, any of your partners, members, officers, managers, employees (including temporary employees and leased workers), directors, trustees or authorized representatives, whether acting alone or in collusion with each other or with any other party; or theft by any person to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

This exclusion:

- (1)** Applies whether or not an act occurs during your normal hours of operation;
- (2)** Does not apply to acts of destruction by your employees (including temporary employees and leased workers) or authorized representatives; but theft by your employees (including temporary employees and leased workers) or authorized representatives is not covered.
- i.** Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- j.** Rain, snow, ice or sleet to personal property in the open.
- k.** Collapse, including any of the following conditions of property or any part of the property:
 - (1)** An abrupt falling down or caving in;
 - (2)** Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
 - (3)** Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to **(1)** or **(2)** above.

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.

This exclusion, **k.**, 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.
 - l.** 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".
- This exclusion, **l.**, does not apply to damage to glass caused by chemicals applied to the glass.
- m.** Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.
- 3.** We will not pay for loss or damage caused by or resulting from any of the following, **3.a.** through **3.c.** But if an excluded cause of loss that is listed in **3.a.** through **3.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, including the failure to act or decide, of any person, group, organization or governmental body.
 - c.** Faulty, inadequate or defective:
 - (1)** Planning, zoning, development, surveying, siting;
 - (2)** Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (3)** Materials used in repair, construction, renovation or remodeling; or
 - (4)** Maintenance;

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

4. Special Exclusions

The following provisions apply only to the specified Coverage Forms:

a. Business Income (And Extra Expense) Coverage Form, Business Income (Without Extra Expense) Coverage Form, Or Extra Expense Coverage Form

We will not pay for:

- (1) Any loss caused by or resulting from:
 - (a) Damage or destruction of "finished stock"; or
 - (b) The time required to reproduce "finished stock".This exclusion does not apply to Extra Expense.
- (2) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.
- (3) Any increase of 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 and the Extended Period Of Indemnity Optional Coverage or any variation of these.
- (4) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".
- (5) Any other consequential loss.

b. Leasehold Interest Coverage Form

- (1) Paragraph **B.1.a.**, Ordinance Or Law, does not apply to insurance under this Coverage Form.
- (2) We will not pay for any loss caused by:
 - (a) Your cancelling the lease;
 - (b) The suspension, lapse or cancellation of any license; or
 - (c) Any other consequential loss.

c. Legal Liability Coverage Form

- (1) The following exclusions do not apply to insurance under this Coverage Form:
 - (a) Paragraph **B.1.a.** Ordinance Or Law;
 - (b) Paragraph **B.1.c.** Governmental Action;
 - (c) Paragraph **B.1.d.** Nuclear Hazard;
 - (d) Paragraph **B.1.e.** Utility Services; and
 - (e) Paragraph **B.1.f.** War And Military Action.
- (2) The following additional exclusions apply to insurance under this Coverage Form:

(a) Contractual Liability

We will not defend any claim or "suit", or pay damages that you are legally liable to pay, solely by reason of your assumption of liability in a contract or agreement. But this exclusion does not apply to a written lease agreement in which you have assumed liability for building damage resulting from an actual or attempted burglary or robbery, provided that:

- (i) Your assumption of liability was executed prior to the accident; and
- (ii) The building is Covered Property under this Coverage Form.

(b) Nuclear Hazard

We will not defend any claim or "suit", or pay any damages, loss, expense or obligation, resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

5. Additional Exclusion

The following provisions apply only to the specified property:

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 compromises 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.

C. Limitations

The following limitations apply to all policy forms and endorsements, unless otherwise stated:

1. We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.

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

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

c. The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:

(1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or

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

d. Building materials and supplies not attached as part of the building or structure, caused by or resulting from theft.

However, this limitation does not apply to:

(1) Building materials and supplies held for sale by you, unless they are insured under the Builders Risk Coverage Form; or

(2) Business Income Coverage or Extra Expense Coverage.

e. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.

f. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.

g. Lawns, trees, shrubs or plants which are part of a vegetated roof, caused by or resulting from:

(1) Dampness or dryness of atmosphere or of soil supporting the vegetation;

(2) Changes in or extremes of temperature;

(3) Disease;

(4) Frost or hail; or

(5) Rain, snow, ice or sleet.

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

a. Animals, and then only if they are killed or their destruction is made necessary.

b. Fragile articles such as statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:

(1) Glass; or

(2) Containers of property held for sale.

c. Builders' machinery, tools and equipment owned by you or entrusted to you, provided such property is Covered Property.

However, this limitation does not apply:

(1) If the property is located on or within 100 feet of the described premises, unless the premises is insured under the Builders Risk Coverage Form; or

(2) To Business Income Coverage or to Extra Expense Coverage.

3. The special limit shown for each category, **a.** through **d.**, is the total limit for loss of or damage to all property in that category. The special limit applies to any one occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are (unless a higher limit is shown in the Declarations):
- a.** \$2,500 for furs, fur garments and garments trimmed with fur.
 - b.** \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semiprecious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
 - c.** \$2,500 for patterns, dies, molds and forms.
 - d.** \$250 for stamps, tickets, including lottery tickets held for sale, and letters of credit.

These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property.

This limitation, **C.3.**, does not apply to Business Income Coverage or to Extra Expense Coverage.

4. We will not pay the cost to repair any defect to a system or appliance from which water, other liquid, powder or molten material escapes. But we will pay the cost to repair or replace damaged parts of fire-extinguishing equipment if the damage:
- a.** Results in discharge of any substance from an automatic fire protection system; or
 - b.** Is directly caused by freezing.

However, this limitation does not apply to Business Income Coverage or to Extra Expense Coverage.

D. Additional Coverage – Collapse

The coverage provided under this Additional Coverage, Collapse, applies only to an abrupt collapse as described and limited in **D.1.** through **D.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 Coverage Form or that contains Covered Property insured under this Coverage Form, 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:
 - (1) A cause of loss listed in **2.a.** or **2.b.**;
 - (2) One or more of the "specified causes of loss";
 - (3) Breakage of building glass;
 - (4) Weight of people or personal property; or
 - (5) 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.** Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;

- b. Awnings, gutters and downspouts;
 - c. Yard fixtures;
 - d. Outdoor swimming pools;
 - e. Fences;
 - f. Piers, wharves and docks;
 - g. Beach or diving platforms or appurtenances;
 - h. Retaining walls; and
 - i. Walks, roadways and other paved surfaces;
- if an abrupt collapse is caused by a cause of loss listed in **2.a.** through **2.d.**, we will pay for loss or damage to that property only if:

- (1) Such loss or damage is a direct result of the abrupt collapse of a building insured under this Coverage Form; and
- (2) The property is Covered Property under this Coverage Form.

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 **2.a.** through **2.d.**;
 - b. The personal property which collapses is inside a building; and
 - c. The property which collapses is not of a kind listed in **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 Coverage Part.
- 8. The term Covered Cause of Loss includes the Additional Coverage, Collapse, as described and limited in **D.1.** through **D.7.**

E. Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria

1. The coverage described in **E.2.** and **E.6.** only applies when the "fungus", wet or dry rot or bacteria 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 Coverage Endorsement applies to the affected premises.

This Additional Coverage does not apply to lawns, trees, shrubs or plants which are part of a vegetated roof.

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

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

3. The coverage described under **E.2.** of 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 "fungus", wet or dry rot or bacteria, we will not pay more than a total of \$15,000 even if the "fungus", wet or dry rot or bacteria 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 "fungus", wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

If there is covered loss or damage to Covered Property, not caused by "fungus", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungus", wet or dry rot or bacteria 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 Paragraph F.2. (Water Damage, Other Liquids, Powder Or Molten Material Damage) of this Causes Of Loss form or under the Additional Coverage, Collapse.
6. The following, 6.a. or 6.b., applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense Coverage Form:
- a. If the loss which resulted in "fungus", wet or dry rot or bacteria does not in itself necessitate a "suspension" of "operations", but such "suspension" is necessary due to loss or damage to property caused by "fungus", wet or dry rot or bacteria, then our payment under 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 "fungus", wet or dry rot or bacteria but remediation of "fungus", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

F. Additional Coverage Extensions

1. Property In Transit

This Extension applies only to your personal property to which this form applies.

- a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salespersons) 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.
- b. Loss or damage must be caused by or result from one of the following causes of loss:
 - (1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
 - (2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the roadbed.
 - (3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.
- c. The most we will pay for loss or damage under this Extension is \$5,000.

This Coverage Extension is additional insurance. The Additional Condition, Coinsurance, does not apply to this Extension.

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

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material damage loss occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes. This Coverage Extension does not increase the Limit of Insurance.

3. Glass

- a. We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.
- b. 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.

This Coverage Extension **F.3.** does not increase the Limit of Insurance.

G. Definitions

- 1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
- 2. "Specified causes of loss" means the following:
 - fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire-extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.
 - a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
 - (1) The cost of filling sinkholes; or
 - (2) Sinking or collapse of land into man-made underground cavities.
 - b. Falling objects does not include loss or damage to:
 - (1) Personal property in the open; or
 - (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
 - c. Water damage means:
 - (1) Accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam; and

- (2) Accidental discharge or leakage of water or waterborne material as the direct result of the breaking apart or cracking of a water or sewer pipe caused by wear and tear, when the pipe is located off the described premises and is connected to or is part of a potable water supply system or sanitary sewer system operated by a public or private utility service provider pursuant to authority granted by the state or governmental subdivision where the described premises are located.

But water damage does not include loss or damage otherwise excluded under the terms of the Water Exclusion. Therefore, for example, there is no coverage under this policy in the situation in which discharge or leakage of water results from the breaking apart or cracking of a pipe which was caused by or related to weather-induced flooding, even if wear and tear contributed to the breakage or cracking. As another example, and also in accordance with the terms of the Water Exclusion, there is no coverage for loss or damage caused by or related to weather-induced flooding which follows or is exacerbated by pipe breakage or cracking attributable to wear and tear.

To the extent that accidental discharge or leakage of water falls within the criteria set forth in **c.(1)** or **c.(2)** of this definition of "specified causes of loss," such water is not subject to the provisions of the Water Exclusion which preclude coverage for surface water or water under the surface of the ground.

CONDOMINIUM ASSOCIATION COVERAGE FORM

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

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

Other words and phrases that appear in quotation marks have special meaning. Refer to Section H. Definitions.

A. Coverage

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

1. Covered Property

Covered Property, as used in this Coverage Part, means the type of property described in this section, **A.1.**, and limited in **A.2.** Property Not Covered, if a Limit Of Insurance is shown in the Declarations for that type of property.

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

- (1) Completed additions;
- (2) Fixtures, outside of individual units, including outdoor fixtures;
- (3) Permanently installed:
 - (a) Machinery; and
 - (b) Equipment;
- (4) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
 - (a) Fire-extinguishing equipment;
 - (b) Outdoor furniture;
 - (c) Floor coverings; and
 - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering that are not contained within individual units;
- (5) If not covered by other insurance:
 - (a) Additions under construction, alterations and repairs to the building or structure;

(b) Materials, equipment, supplies, and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure; and

(6) Any of the following types of property contained within a unit, regardless of ownership, if your Condominium Association Agreement requires you to insure it:

(a) Fixtures, improvements and alterations that are a part of the building or structure; and

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

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

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

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

But Your Business Personal Property does not include personal property owned only by a unit-owner.

c. Personal Property Of Others that is:

- (1) In your care, custody or control; and
- (2) Located in or on the building or structure described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises.

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

2. Property Not Covered

Covered Property does not include:

- a. Accounts, bills, currency, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities;
- b. Animals, unless owned by others and boarded by you;
- c. Automobiles held for sale;
- d. Bridges, roadways, walks, patios or other paved surfaces;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. The cost of excavations, grading, backfilling or filling;
- g. Foundations of buildings, structures, machinery or boilers if their foundations are below:
 - (1) The lowest basement floor; or
 - (2) The surface of the ground if there is no basement;
- h. Land (including land on which the property is located), water, growing crops or lawns (other than lawns which are part of a vegetated roof);
- i. Personal property while airborne or waterborne;
- j. Bulkheads, pilings, piers, wharves or docks;
- k. Property that is covered under this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- l. Retaining walls that are not part of a building;
- m. Underground pipes, flues or drains;
- n. Electronic data, except as provided under the Additional Coverage, Electronic Data. 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. This paragraph, n., does not apply to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system;
- o. The cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for Valuable Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as electronic data;
- p. Vehicles or self-propelled machines (including aircraft or watercraft) that:
 - (1) Are licensed for use on public roads; or
 - (2) Are operated principally away from the described premises.

This paragraph does not apply to:

- (a) Vehicles or self-propelled machines or autos you manufacture or warehouse;
- (b) Vehicles or self-propelled machines, other than autos, you hold for sale;
- (c) Rowboats or canoes out of water at the described premises; or
- (d) Trailers, but only to the extent provided for in the Coverage Extension for Non-owned Detached Trailers; or

q. The following property while outside of buildings:

- (1) Grain, hay, straw or other crops; or
- (2) Fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, trees, shrubs or plants (other than trees, shrubs or plants which are "stock" or are part of a vegetated roof), all except as provided in the Coverage Extensions.

3. Covered Causes Of Loss

See applicable Causes Of Loss form as shown in the Declarations.

4. Additional Coverages

a. Debris Removal

- (1) Subject to Paragraphs (2), (3) and (4), we will pay your expense to remove debris of Covered Property and other debris that is on the described premises, when such debris is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
- (2) Debris Removal does not apply to costs to:
 - (a) Remove debris of property of yours that is not insured under this policy, or property in your possession that is not Covered Property;
 - (b) Remove any property that is Property Not Covered, including property addressed under the Outdoor Property Coverage Extension;
 - (c) Remove property of others of a type that would not be Covered Property under this Coverage Form;
 - (d) Remove deposits of mud or earth from the grounds of the described premises;
 - (e) Extract "pollutants" from land or water; or
 - (f) Remove, restore or replace polluted land or water.

(3) Subject to the exceptions in Paragraph (4), the following provisions apply:

- (a) The most 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 (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. However, if no Covered Property has sustained direct physical loss or damage, the most we will pay for removal of debris of other property (if such removal is covered under this Additional Coverage) is \$5,000 at each location.
- (4) We will pay up to an additional \$25,000 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 (4)(a) and/or (4)(b) applies, 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 \$25,000.

(5) Examples

The following examples assume that there is no Coinsurance penalty.

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:	\$ 40,000
Debris Removal Expense Payable	
Basic Amount:	\$ 10,500
Additional Amount:	\$ 25,000

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 (\$40,000) exceeds 25% of the loss payable plus the deductible (\$40,000 = 50% of \$80,000), and because the sum of the loss payable and debris removal expense (\$79,500 + \$40,000 = \$119,500) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expense is \$25,000, the maximum payable under Paragraph (4). Thus, the total payable for debris removal expense in this example is \$35,500; \$4,500 of the debris removal expense is not covered.

b. Preservation Of Property

If it is necessary for you 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 or damage to that property:

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

c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000 for service at each premises described in the Declarations unless a higher limit is shown in the Declarations. Such limit is the most we will pay regardless of the number of responding fire departments or fire units, and regardless of the number or type of services performed.

This Additional Coverage applies to your liability for fire department service charges:

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

No Deductible applies to this Additional Coverage.

d. Pollutant Clean-up And Removal

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the 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 under this Additional Coverage for each described premises is \$10,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this policy.

e. Increased Cost Of Construction

- (1) This Additional Coverage applies only to buildings to which the Replacement Cost Optional Coverage applies.
- (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 the minimum standards 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 **e.(3)** through **e.(9)** of this Additional Coverage.
- (3) The ordinance or law referred to in **e.(2)** of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises and is in force at the time of loss.
- (4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:
 - (a) You were required to comply with before the loss, even when the building was undamaged; and
 - (b) You failed to comply with.
- (5) Under this Additional Coverage, we will not pay for:
 - (a) The enforcement of or compliance with 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 "fungus", wet or dry rot or bacteria; or
 - (b) Any costs associated with the enforcement of or compliance with an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.

- (6) The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form, is \$10,000 or 5% of the Limit of Insurance applicable to that building, whichever is less. If a damaged building 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 that damaged building, is the lesser of \$10,000 or 5% times the value of the damaged building as of the time of loss times the applicable Coinsurance percentage.

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 repair or replacement is 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, subject to the provisions of **e.(6)** of this Additional Coverage, 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, subject to the provisions of **e.(6)** of this Additional Coverage, 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 Conditions and the Replacement Cost Optional Coverage, in this Coverage Form, do not include the increased cost attributable to enforcement of or compliance with an ordinance or law. The amount payable under this Additional Coverage, as stated in e.(6) of this Additional Coverage, is not subject to such limitation.

f. Electronic Data

- (1) Under this Additional Coverage, electronic data has the meaning described under Property Not Covered, Electronic Data. This Additional Coverage does not apply to electronic data which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system.
- (2) 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.
- (3) The Covered Causes of Loss applicable to Your Business Personal Property apply to this Additional Coverage, Electronic Data, subject to the following:
- (a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage, Electronic Data, is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
- (b) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage, Electronic Data, includes Collapse as set forth in that form.
- (c) If the Causes Of Loss 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, Electronic Data.

- (d) The Covered Causes of Loss include a 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.

- (4) The most we will pay under this Additional Coverage, Electronic Data, is \$2,500 (unless a higher limit is shown in the Declarations) 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. 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.

5. Coverage Extensions

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.

If a Coinsurance percentage of 80% or more is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

a. Newly Acquired Or Constructed Property

(1) Buildings

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

- (a) Your new buildings while being built on the described premises; and

(b) Buildings you acquire at locations, other than the described premises, intended for:

- (i) Similar use as the building described in the Declarations; or
- (ii) Use as a warehouse.

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

(2) Your Business Personal Property

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

- (i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions; or
- (ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations.

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

(b) This Extension does not apply to:

- (i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
- (ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

(3) Period Of Coverage

With respect to insurance provided under this Coverage Extension for Newly Acquired Or Constructed Property, coverage will end when any of the following first occurs:

(a) This policy expires;

(b) 30 days expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or

(c) You report values to us.

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

b. Personal Effects And Property Of Others

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

- (1) Personal effects 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.
- (2) Personal property of others in your care, custody or control.

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

c. Valuable Papers And Records (Other Than Electronic Data)

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered, Electronic Data.
- (2) If the Causes Of Loss – Special Form applies, coverage under this Extension is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
- (3) If the Causes Of Loss – Broad Form applies, coverage under this Extension includes Collapse as set forth in that form.

- (4) Under this Extension, the most we will pay to replace or restore the lost information is \$2,500 at each described premises, unless a higher limit is shown in the Declarations. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist) and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and, therefore, coverage of such costs is not additional insurance.

d. Property Off-premises

- (1) You may extend the insurance provided by this Coverage Form to apply to your Covered Property while it is away from the described premises, if it is:
 - (a) Temporarily at a location you do not own, lease or operate;
 - (b) In storage at a location you lease, provided the lease was executed after the beginning of the current policy term; or
 - (c) At any fair, trade show or exhibition.
- (2) This Extension does not apply to property:
 - (a) In or on a vehicle; or
 - (b) In the care, custody or control of your salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.
- (3) The most we will pay for loss or damage under this Extension is \$10,000.

e. Outdoor Property

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), trees, shrubs and plants (other than trees, shrubs or plants which are "stock" or are part of a vegetated roof), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered 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 \$1,000, but not more than \$250 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

Subject to all aforementioned terms and limitations of coverage, this Coverage Extension includes the expense of removing from the described premises the debris of trees, shrubs and plants which are the property of others.

f. Non-owned Detached Trailers

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:
 - (a) The trailer is used in your business;
 - (b) The trailer is in your care, custody or control at the premises described in the Declarations; and
 - (c) You have a contractual responsibility to pay for loss or damage to the trailer.
- (2) We will not pay for any loss or damage that occurs:
 - (a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;
 - (b) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.
- (3) The most we will pay for loss or damage under this Extension is \$5,000, unless a higher limit is shown in the Declarations.
- (4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

g. Business Personal Property Temporarily In Portable Storage Units

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to such property while temporarily stored in a portable storage unit (including a detached trailer) located within 100 feet of the described premises.
- (2) If the applicable Covered Causes of Loss form or endorsement contains a limitation or exclusion concerning loss or damage from sand, dust, sleet, snow, ice or rain to property in a structure, such limitation or exclusion also applies to property in a portable storage unit.
- (3) Coverage under this Extension:
 - (a) Will end 90 days after the business personal property has been placed in the storage unit;
 - (b) Does not apply if the storage unit itself has been in use at the described premises for more than 90 consecutive days, even if the business personal property has been stored there for 90 or fewer days as of the time of loss or damage.
- (4) Under this Extension, the most we will pay for the total of all loss or damage to business personal property is \$10,000 (unless a higher limit is indicated in the Declarations for such Extension) regardless of the number of storage units. Such limit is part of, not in addition to, the applicable Limit of Insurance on Your Business Personal Property. Therefore, payment under this Extension will not increase the applicable Limit of Insurance on Your Business Personal Property.
- (5) This Extension does not apply to loss or damage otherwise covered under this Coverage Form or any endorsement to this Coverage Form or policy, and does not apply to loss or damage to the storage unit itself.

Each of these Extensions is additional insurance unless otherwise indicated. The Additional Condition, Coinsurance, does not apply to these Extensions.

B. Exclusions And Limitations

See applicable Causes Of Loss form as shown in the Declarations.

C. Limits Of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit Of Insurance shown in the Declarations.

The most we will pay for loss or damage to outdoor signs, whether or not the sign is attached to a building, is \$2,500 per sign in any one occurrence.

The amounts of insurance stated in the following Additional Coverages apply in accordance with the terms of such coverages and are separate from the Limit(s) Of Insurance shown in the Declarations for any other coverage:

- 1. Fire Department Service Charge;
- 2. Pollutant Clean-up And Removal;
- 3. Increased Cost Of Construction; and
- 4. Electronic Data.

Payments under the Preservation Of Property Additional Coverage will not increase the applicable Limit of Insurance.

D. Deductible

In any one occurrence of loss or damage (hereinafter referred to as loss), we will first reduce the amount of loss if required by the Coinsurance Condition or the Agreed Value Optional Coverage. If the adjusted amount of loss is less than or equal to the Deductible, we will not pay for that loss. If the adjusted amount of loss exceeds the Deductible, we will then subtract the Deductible from the adjusted amount of loss and will pay the resulting amount or the Limit of Insurance, whichever is less.

When the occurrence involves loss to more than one item of Covered Property and separate Limits of Insurance apply, the losses will not be combined in determining application of the Deductible. But the Deductible will be applied only once per occurrence.

Example 1

(This example assumes there is no Coinsurance penalty.)

Deductible:	\$ 250
Limit of Insurance – Building 1:	\$ 60,000
Limit of Insurance – Building 2:	\$ 80,000
Loss to Building 1:	\$ 60,100
Loss to Building 2:	\$ 90,000

The amount of loss to Building 1 (\$60,100) is less than the sum (\$60,250) of the Limit of Insurance applicable to Building 1 plus the Deductible.

The Deductible will be subtracted from the amount of loss in calculating the loss payable for Building 1:

\$ 60,100
– 250

\$ 59,850 Loss Payable – Building 1

The Deductible applies once per occurrence and therefore is not subtracted in determining the amount of loss payable for Building 2. Loss payable for Building 2 is the Limit of Insurance of \$80,000.

Total amount of loss payable:

\$59,850 + \$80,000 = \$139,850

Example 2

(This example, too, assumes there is no Coinsurance penalty.)

The Deductible and Limits of Insurance are the same as those in Example 1.

Loss to Building 1:	\$ 70,000
(Exceeds Limit of Insurance plus Deductible)	
Loss to Building 2:	\$ 90,000
(Exceeds Limit of Insurance plus Deductible)	
Loss Payable – Building 1:	\$ 60,000
(Limit of Insurance)	
Loss Payable – Building 2:	\$ 80,000
(Limit of Insurance)	
Total amount of loss payable:	\$ 140,000

E. Loss Conditions

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

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

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

a. Pay its chosen appraiser; and

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

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

3. Duties In The Event Of Loss Or Damage

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

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

Also, permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
- (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- (8) Cooperate with us in the investigation or settlement of the claim.

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

4. Loss Payment

- a. In the event of loss or damage covered by this Coverage Form, at our option, we will either:
 - (1) Pay the value of lost or damaged property;
 - (2) Pay the cost of repairing or replacing the lost or damaged property, subject to **b.** below;
 - (3) Take all or any part of the property at an agreed or appraised value; or
 - (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to **b.** below.

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

- b. The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.
- c. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- d. We will not pay you more than your financial interest in the Covered Property.
- e. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.

- g. We will pay for covered loss or damage to Covered Property within 30 days after we receive the sworn proof of loss, if you have complied with all of the terms of this Coverage Part, and:

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

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

- 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, the Valuation and Coinsurance Conditions and all other provisions of this Loss Payment 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 Condition in this policy.

5. Recovered Property

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

6. Unit-owner's Insurance

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

7. 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 **(1)(a)** and **(1)(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 sublessee and used by the lessee or sublessee 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 **b.(1)(a)** through **b.(1)(f)** above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

8. Valuation

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

a. At actual cash value as of the time of loss or damage, except as provided in **b.** and **c.** below.

b. If the Limit of Insurance for Building satisfies the Additional Condition, Coinsurance, and the cost to repair or replace the damaged building property is \$2,500 or less, we will pay the cost of building repairs or replacement.

The cost of building repairs or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property. However, the following property will be valued at the actual cash value, even when attached to the building:

(1) Awnings or floor coverings;

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

(3) Outdoor equipment or furniture.

c. Glass at the cost of replacement with safety-glazing material if required by law.

9. Waiver Of Rights Of Recovery

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

F. Additional Conditions

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

1. Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies:

a. We will not pay the full amount of any loss if the value of Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

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

(1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;

(2) Divide the Limit of Insurance of the property by the figure determined in Step (1);

- (3) Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step (2); and
- (4) Subtract the deductible from the figure determined in Step (3).

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

Example 1 (Underinsurance)

When: The value of the property is: \$ 250,000
 The Coinsurance percentage for it is: 80%
 The Limit of Insurance for it is: \$ 100,000
 The Deductible is: \$ 250
 The amount of loss is: \$ 40,000

Step (1): $\$250,000 \times 80\% = \$200,000$
 (the minimum amount of insurance to meet your Coinsurance requirements)

Step (2): $\$100,000 \div \$200,000 = .50$

Step (3): $\$40,000 \times .50 = \$20,000$

Step (4): $\$20,000 - \$250 = \$19,750$

We will pay no more than \$19,750. The remaining \$20,250 is not covered.

Example 2 (Adequate Insurance)

When: The value of the property is: \$ 250,000
 The Coinsurance percentage for it is: 80%
 The Limit of Insurance for it is: \$ 200,000
 The Deductible is: \$ 250
 The amount of loss is: \$ 40,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ($\$250,000 \times 80\%$). Therefore, the Limit of Insurance in this example is adequate and no penalty applies. We will pay no more than \$39,750 (\$40,000 amount of loss minus the deductible of \$250).

- b. If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

Example 3

When: The value of the property is:
 Building at Location 1: \$ 75,000
 Building at Location 2: \$ 100,000
 Personal Property at Location 2: \$ 75,000
 \$ 250,000

The Coinsurance percentage for it is: 90%

The Limit of Insurance for Buildings and Personal Property at Locations 1 and 2 is: \$ 180,000

The Deductible is: \$ 1,000

The amount of loss is:
 Building at Location 2: \$ 30,000

Personal Property at Location 2: \$ 20,000
 \$ 50,000

Step (1): $\$250,000 \times 90\% = \$225,000$
 (the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

Step (2): $\$180,000 \div \$225,000 = .80$

Step (3): $\$50,000 \times .80 = \$40,000$

Step (4): $\$40,000 - \$1,000 = \$39,000$

We will pay no more than \$39,000. The remaining \$11,000 is not covered.

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 Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
 - (1) Pays any premium due under this Coverage Part 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 Coverage Part will then apply directly to the mortgageholder.

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

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

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:
 - (1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
- g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

G. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages apply separately to each item:

1. Agreed Value

- a. The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Part for the property bears to the Agreed Value shown for it in the Declarations.

- b. If the expiration date for this Optional Coverage shown in the Declarations is not extended, the Additional Condition, Coinsurance, is reinstated and this Optional Coverage expires.
- c. The terms of this Optional Coverage apply only to loss or damage that occurs:
 - (1) On or after the effective date of this Optional Coverage; and
 - (2) Before the Agreed Value expiration date shown in the Declarations or the policy expiration date, whichever occurs first.

2. Inflation Guard

- a. The Limit of Insurance for property to which this Optional Coverage applies will automatically increase by the annual percentage shown in the Declarations.
- b. The amount of increase will be:
 - (1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance, times
 - (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), times
 - (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

Example

If: The applicable Limit of Insurance is: \$ 100,000
 The annual percentage increase is: 8%
 The number of days since the beginning of the policy year (or last policy change) is: 146
 The amount of increase is:
 $\$100,000 \times .08 \times 146 \div 365 =$ \$ 3,200

3. Replacement Cost

- a. Replacement Cost (without deduction for depreciation) replaces Actual Cash Value in the Loss Condition, Valuation, of this Coverage Form.
- b. This Optional Coverage does not apply to:
 - (1) Personal property of others;
 - (2) Contents of a residence; or
 - (3) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac.

Under the terms of this Replacement Cost Optional Coverage, personal property owned indivisibly by all unit-owners, and the property covered under Paragraph **A.1.a.(6)** of this Coverage Form, are not considered to be the personal property of others.

- c. You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim for the additional coverage this Optional Coverage provides if you notify us of your intent to do so within 180 days after the loss or damage.
- d. We will not pay on a replacement cost basis for any loss or damage:
 - (1) Until the lost or damaged property is actually repaired or replaced; and
 - (2) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage.
- e. We will not pay more for loss or damage on a replacement cost basis than the least of **(1)**, **(2)** or **(3)**, subject to **f.** below:
 - (1) The Limit of Insurance applicable to the lost or damaged property;
 - (2) The cost to replace the lost or damaged property with other property:
 - (a) Of comparable material and quality; and
 - (b) Used for the same purpose; or
 - (3) The amount actually spent that is necessary to repair or replace the lost or damaged property.

If a building is rebuilt at a new premises, the cost described in **e.(2)** above is limited to the cost which would have been incurred if the building had been rebuilt at the original premises.

- f. The cost of repair or replacement does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.

4. Extension Of Replacement Cost To Personal Property Of Others

- a. If the Replacement Cost Optional Coverage is shown as applicable in the Declarations, then this Extension may also be shown as applicable. If the Declarations show this Extension as applicable, then Paragraph **3.b.(1)** of the Replacement Cost Optional Coverage is deleted and all other provisions of the Replacement Cost Optional Coverage apply to replacement cost on personal property of others.

- b. With respect to replacement cost on the personal property of others, the following limitation applies:

If an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not to exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance.

H. Definitions

1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
2. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
3. "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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART STANDARD PROPERTY POLICY

- A.** The exclusion set forth in Paragraph **B.** applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.
- B.** We will not pay for loss or damage caused by or resulting from any virus, bacterium or other micro-organism that induces or is capable of inducing physical distress, illness or disease.
However, this exclusion does not apply to loss or damage caused by or resulting from "fungus", wet rot or dry rot. Such loss or damage is addressed in a separate exclusion in this Coverage Part or Policy.
- C.** With respect to any loss or damage subject to the exclusion in Paragraph **B.**, such exclusion supersedes any exclusion relating to "pollutants".
- D.** The following provisions in this Coverage Part or Policy are hereby amended to remove reference to bacteria:
 - 1.** Exclusion of "Fungus", Wet Rot, Dry Rot And Bacteria; and
 - 2.** Additional Coverage – Limited Coverage for "Fungus", Wet Rot, Dry Rot And Bacteria, including any endorsement increasing the scope or amount of coverage.
- E.** The terms of the exclusion in Paragraph **B.**, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part or Policy.

EQUIPMENT BREAKDOWN PROTECTION COVERAGE FORM

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

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

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

A. Coverage

1. Covered Cause Of Loss

Covered Cause of Loss is a "Breakdown" to "Covered Equipment".

2. Coverages Provided

Each of the following coverages is provided if either a limit or the word INCLUDED is shown for that coverage in the Declarations. If neither a limit nor the word INCLUDED is shown, then that coverage is not provided.

These coverages apply only to that portion of the loss or damage that is a direct result of a Covered Cause of Loss.

a. Property Damage

We will pay for direct damage to "Covered Property" located at the premises described in the Declarations.

b. Expediting Expenses

With respect to direct damage to "Covered Property", we will pay for the extra cost you necessarily incur to:

- (1) Make temporary repairs; and
- (2) Expedite the permanent repairs or replacement of the damaged property.

c. Business Income And Extra Expense Or Extra Expense Only

(1) We will pay:

- (a) Your actual loss of "Business Income" during the "Period of Restoration"; and
- (b) The "Extra Expense" you necessarily incur to operate your business during the "Period of Restoration".

However, if coverage for "Extra Expense" only is indicated in the Declarations, then coverage for "Business Income" is not provided.

We will consider the experience of your business before the "Breakdown" and the probable experience you would have had without the "Breakdown" in determining the amount of our payment.

(2) If you have coverage for "Business Income" and "Extra Expense" or "Extra Expense" only and:

(a) If a number of days is shown in the Declarations for Extended Period Of Restoration Coverage, it will replace the five consecutive days in the definition of "Period of Restoration".

(b) If you have coverage for Ordinance or Law, then the "Period of Restoration" is extended to include the additional period of time required for demolition, removal, repair, remodeling or reconstruction.

(c) If "Media" are damaged or "Data" are lost or corrupted, we will pay your actual loss of "Business Income" and/or "Extra Expense" during the time necessary to:

(i) Research, replace or restore the damaged "Media" or lost or corrupted "Data"; and

(ii) Reprogram instructions used in any covered "Computer Equipment".

There shall be no coverage for any "Media" or "Data" that we determine are not or cannot be replaced or restored.

Unless a higher limit is shown in the Declarations, we will pay the lesser of your actual loss of "Business Income" and/or "Extra Expense" up to 30 days after the "Period of Restoration", or \$25,000.

d. Spoilage Damage

- (1) We will pay for the spoilage damage to raw materials, property in process or finished products, provided all of the following conditions are met:
 - (a) The raw materials, property in process or finished products must be in storage or in the course of being manufactured;
 - (b) You must own or be legally liable under written contract for the raw materials, property in process or finished products; and
 - (c) The spoilage damage must be due to the lack or excess of power, light, heat, steam or refrigeration.
- (2) We will also pay any necessary expenses you incur to reduce the amount of loss under this coverage. We will pay such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this Coverage Form.

e. Utility Interruption

If you have coverage for "Business Income" and "Extra Expense", "Extra Expense" only or Spoilage Damage, that coverage is extended to include loss resulting from the interruption of utility services, provided all of the following conditions are met:

- (1) The interruption is the direct result of a "Breakdown" to "Covered Equipment" owned, operated or controlled by the local private or public utility or distributor that directly generates, transmits, distributes or provides utility services which you receive;
- (2) The "Covered Equipment" is used to supply electric power, communication services, air conditioning, heating, gas, sewer, water or steam to your premises; and
- (3) The interruption of utility service to your premises lasts at least the consecutive period of time shown in the Declarations. Once this waiting period is met, coverage will commence at the initial time of the interruption and will be subject to all applicable deductibles.

f. Newly Acquired Premises

We will automatically provide coverage at newly acquired premises you have purchased or leased. This coverage begins at the time you acquire the property and continues for a period not exceeding the number of days indicated in the Declarations for Newly Acquired Premises, under the following conditions:

- (1) You must inform us, in writing, of the newly acquired premises as soon as practicable;
- (2) You agree to pay an additional premium as determined by us;
- (3) The coverage for these premises will be subject to the same terms, conditions, exclusions and limitations as other insured premises; and
- (4) If the coverages and deductibles vary for existing premises, then the coverages for the newly acquired premises will be the broadest coverage and highest limits and deductible applicable to the existing premises.

g. Ordinance Or Law Coverage

The following applies despite the Ordinance Or Law Exclusion and provided these increases in loss are necessitated by the enforcement of or compliance with any ordinance or law that is in force at the time of the "Breakdown", which regulates the demolition, construction, repair or use of the building or structure. With respect to the building or structure that was damaged as a result of a "Breakdown":

- (1) We will pay for:
 - (a) The loss in value of the undamaged portion of the building or structure as a consequence of enforcement of or compliance with an ordinance or law that requires the demolition of undamaged parts of the same building or structure;
 - (b) Your actual cost to demolish and clear the site of the undamaged parts of the same building or structure as a consequence of enforcement of or compliance with an ordinance or law that requires the demolition of such undamaged property; and

- (c) The increased cost actually and necessarily expended to:
 - (i) Repair or reconstruct the damaged or destroyed portions of the building or structure; and
 - (ii) Reconstruct or remodel the undamaged portion of that building or structure with buildings or structures of like materials, height, floor area and style for like occupancy, whether or not demolition is required on:
 - i. The same premises or on another premises if you so elect. However, if you rebuild at another premises, the most we will pay is the increased cost of construction that we would have paid to rebuild at the same premises; or
 - ii. Another premises if the relocation is required by the ordinance or law. The most we will pay is the increased cost of construction at the new premises.
- (2) We will not pay for any:
- (a) Demolition or site clearing until the undamaged portions of the buildings or structures are actually demolished;
 - (b) Increase in loss until the damaged or destroyed buildings or structures are actually rebuilt or replaced and approved by the regulating government agency;
 - (c) Loss due to any ordinance or law that:
 - (i) You were required to comply with before the loss, even if the building was undamaged; and
 - (ii) You failed to comply with;
 - (d) Increase in loss, excess of the amount required to meet the minimum requirement of any ordinance or law enforcement at the time of the "Breakdown";
 - (e) Increase in loss resulting from a substance declared to be hazardous to health or environment by any government agency;
 - (f) Loss or expense sustained due to the enforcement of or compliance with any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to the presence, growth, proliferation, spread or any activity of "Fungus", wet or dry rot; or
 - (g) Costs associated with the enforcement of or compliance with any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "Fungus", wet or dry rot.
- (3) If:
- (a) The building or structure is damaged by a "Breakdown" that is covered under this policy;
 - (b) There is other physical damage that is not covered under this policy; and
 - (c) As a result of the building damage in its entirety, you are required to comply with the ordinance or law;
- then we will not pay the full amount of the loss under this coverage. Instead, we will pay only that proportion of such loss, meaning the proportion that the covered "Breakdown" loss bears to the total physical damage.
- But if the building or structure sustains direct physical damage that is not covered under this policy and such damage is the subject of the ordinance or law, then there is no Ordinance Or Law Coverage under this Coverage Part even if the building has also sustained damage by a covered "Breakdown".

h. Errors And Omissions

We will pay for any loss or damage, which is not otherwise payable under this Coverage Part, solely because of the items listed below:

- (1) Any error or unintentional omission in the description or location of property as insured under this Coverage Part or in any subsequent amendments;
- (2) Any failure through error to include any premises owned or occupied by you at the inception date of this Coverage Part; or

- (3) Any error or unintentional omission by you that results in cancellation of any premises insured under this policy.

No coverage is provided as a result of any error or unintentional omission by you in the reporting of values or the coverage you requested.

It is a condition of this coverage that such errors or unintentional omissions shall be reported and corrected when discovered. The policy premium will be adjusted accordingly to reflect the date the premises should have been added had no error or omission occurred.

i. Brands And Labels

- (1) If branded or labeled merchandise that is "Covered Property" is damaged by a "Breakdown", we may take all or any part of the property at an agreed or appraised value. If so, you may:
- (a) Stamp the word SALVAGE on the merchandise or its containers if the stamp will not physically damage the merchandise; or
 - (b) Remove the brands or labels if doing so will not physically damage the merchandise. You must relabel the merchandise or its containers to comply with any law.
- (2) We will pay reasonable costs you incur to perform the activity described in Paragraphs (1)(a) and (1)(b), but the total we pay for these costs and the value of the damaged property will not exceed the applicable Limit of Insurance on such property.

j. Contingent Business Income And Extra Expense Or Extra Expense Only Coverage

- (1) Subject to the same terms and conditions, the "Business Income" and "Extra Expense" or "Extra Expense" only coverage provided by this Coverage Part is extended to cover your loss, if any, resulting from a "Breakdown" to "Covered Equipment" at a premises shown in the Declarations, that is not owned or operated by you which:
- (a) Wholly or partially prevents the delivery of services or materials shown in the Declarations to you or from you to others for your account; or
 - (b) Results in the loss of sales at your premises shown in the Declarations.

- (2) You shall use your influence to induce the contributing or recipient premises to make use of any other machinery, equipment, supplies or premises available in order to resume operations and delivery of services or materials to you, or the acceptance of products or services from you. You shall cooperate with the contributing or recipient premises to this effect in every way, but not financially unless authorized by us.

B. Exclusions

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.

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

1. Ordinance Or Law

Increase in loss from the enforcement of or compliance with any ordinance, law, rule, regulation or ruling which restricts or regulates the repair, replacement, alteration, use, operation, construction, installation, cleanup or disposal of "Covered Property".

However, the words use and operation shall be eliminated as respects a covered "Breakdown" to electrical supply and emergency generating equipment located on the premises of a hospital.

2. Earth Movement

Earth movement, including, but not limited to, earthquake, tremors and aftershocks relating to earthquake, landslide, land subsidence, mine subsidence or volcanic action.

3. Water

- a. 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);
- b. Mudslide or mudflow;
- c. Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;
- d. Water damage caused by the discharge or leakage of a sprinkler system or domestic water piping;

- e. Water under the ground surface pressing on, or flowing or seeping through:
 - (1) Foundations, walls, floors or paved surfaces;
 - (2) Basements, whether paved or not;
 - (3) Doors, windows or other openings; or
- f. Waterborne material carried or otherwise moved by any of the water referred to in Paragraph **a.**, **c.** or **e.**, or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies, regardless of whether any of the above, in Paragraphs **a.** through **f.**, 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.

4. Nuclear Hazard

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

5. War Or Military Action

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

6. An explosion. However, we will pay for loss or damage caused by an explosion of "Covered Equipment" of a kind specified in a. through g. below, if not otherwise excluded in this Section B.:

- a. Steam boiler;
- b. Electric steam generator;
- c. Steam piping;
- d. Steam turbine;
- e. Steam engine;
- f. Gas turbine; or
- g. Moving or rotating machinery when such explosion is caused by centrifugal force or mechanical breakdown.

7. Fire or combustion explosion including those that:

- a. Result in a "Breakdown";
- b. Occur at the same time as a "Breakdown"; or

c. Ensur from a "Breakdown".

8. "Fungus", Wet Rot And Dry Rot

Presence, growth, proliferation, spread or activity of "Fungus", wet or dry rot. However, if a "Breakdown" occurs, we will pay the resulting loss or damage.

This exclusion does not apply to the extent that coverage for "Fungus", wet rot or dry rot is provided elsewhere in this Coverage Form and then only for that portion of any loss or damage resulting from the presence, growth, proliferation, spread or activity of "Fungus", wet or dry rot as a result of a "Breakdown".

9. Any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease. However:

- a. If a "Breakdown" occurs, we will pay the resulting loss or damage;
- b. This exclusion does not apply to loss or damage caused by or resulting from "Fungus", wet rot or dry rot. Such loss or damage is addressed in Exclusion **B.8.**;
- c. Regardless of the application of this exclusion to any particular loss, the provisions of this Exclusion **9.** do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Form.

10. Explosion within the furnace of a chemical recovery type boiler or within the passage from the furnace to the atmosphere.

11. Damage to "Covered Equipment" undergoing a pressure or electrical test.

12. Water or other means used to extinguish a fire, even when the attempt is unsuccessful.

13. Depletion, deterioration, corrosion, erosion or wear and tear. However, if a "Breakdown" occurs, we will pay the resulting loss or damage.

14. A "Breakdown" that is caused by any of the following causes of loss if coverage for that cause of loss is provided by another policy of insurance you have, whether collectible or not:

- a. Aircraft or vehicles;
- b. Freezing caused by cold weather;
- c. Lightning;
- d. Sinkhole collapse;
- e. Smoke;
- f. Riot, civil commotion or vandalism; or
- g. Weight of snow, ice or sleet.

15. A "Breakdown" that is caused by windstorm or hail.
16. A delay in, or an interruption of, any business, manufacturing or processing activity except as provided by the "Business Income" and "Extra Expense", "Extra Expense" only and Utility Interruption Coverages.
17. With respect to "Business Income" and "Extra Expense", "Extra Expense" only and Utility Interruption Coverages, the following additional exclusions shall apply:
 - a. The business that would not or could not have been carried on if the "Breakdown" had not occurred;
 - b. Your failure to use due diligence and dispatch and all reasonable means to operate your business as nearly normal as practicable at the premises shown in the Declarations; or
 - c. The suspension, lapse or cancellation of a contract following a "Breakdown" extending beyond the time business could have resumed if the contract had not lapsed, been suspended or canceled.
18. Any indirect loss following a "Breakdown" to "Covered Equipment" that results from the lack or excess of power, light, heat, steam or refrigeration except as provided by the "Business Income" and "Extra Expense", "Extra Expense" only, Spoilage Damage and Utility Interruption Coverages.
19. With respect to Utility Interruption Coverage, any loss resulting from the following additional causes of loss whether or not coverage for that cause of loss is provided by another policy you have:
 - a. Acts of sabotage;
 - b. Collapse;
 - c. Deliberate act(s) of load-shedding by the supplying utility;
 - d. Freezing caused by cold weather;
 - e. Impact of aircraft, missile or vehicle;
 - f. Impact of objects falling from an aircraft or missile;
 - g. Lightning;
 - h. Riot, civil commotion or vandalism;
 - i. Sinkhole collapse;
 - j. Smoke; or
 - k. Weight of snow, ice or sleet.

20. Any indirect result of a "Breakdown" to "Covered Equipment" except as provided by the "Business Income" and "Extra Expense", "Extra Expense" only, Spoilage Damage and Utility Interruption Coverages.
21. Neglect by you to use all reasonable means to save and preserve "Covered Property" from further damage at and after the time of the loss.

C. Limits Of Insurance

1. The most we will pay for any and all coverages for loss or damage from any "One Breakdown" is the applicable Limit Of Insurance shown in the Declarations.
2. Any payment made will not be increased if more than one insured is shown in the Declarations.
3. For each coverage in Paragraph **A.2.**, if:
 - a. INCLUDED is shown in the Declarations, the limit for such coverage is part of, not in addition to, the Limit per Breakdown.
 - b. A limit is shown in the Declarations, we will not pay more than the Limit of Insurance for each such coverage.
4. For any "Covered Equipment" that is:
 - a. Used solely to supply utility services to your premises;
 - b. Owned by a public or private utility;
 - c. Not in your care, custody or control and for which you are legally liable; and
 - d. Covered under this Coverage Form;
 the Limit Of Insurance for Property Damage stated in the Declarations is replaced by the sum of one dollar.
 If you are a public or private utility, **4.b.** is replaced by the following:
 - b. Owned by a public or private utility other than you.
5. Unless a higher limit or INCLUDED is shown in the Declarations, the most we will pay for direct damage as a direct result of a "Breakdown" to "Covered Equipment" is \$25,000 for each of the following. The limits are part of, not in addition to, the Limit of Insurance for Property Damage or Limit per Breakdown.
 - a. **Ammonia Contamination**
 The spoilage to "Covered Property" contaminated by ammonia, including any salvage expense.

b. Consequential Loss

The reduction in the value of undamaged "Stock" parts of a product which becomes unmarketable. The reduction in value must be caused by a physical loss or damage to another part of the product.

c. Data And Media

Your cost to research, replace or restore damaged "Data" or "Media" including the cost to reprogram instructions used in any "Computer Equipment".

d. Hazardous Substance

Any additional expenses incurred by you for the cleanup, repair or replacement or disposal of "Covered Property" that is damaged, contaminated or polluted by a "Hazardous Substance".

As used here, additional expenses means the additional cost incurred over and above the amount that we would have paid had no "Hazardous Substance" been involved with the loss.

Ammonia is not considered to be a "Hazardous Substance" as respects this limitation.

This coverage applies despite the operation of the Ordinance Or Law Exclusion.

e. Water Damage

The damage to "Covered Property" by water including any salvage expenses.

If "Fungus", wet or dry rot results from damage by water as limited in this paragraph, loss or damage attributable to "Fungus", wet or dry rot will be:

- (1) Limited as described in Paragraphs **C.6.a.(1)** through **C.6.a.(5)**; and
- (2) Part of the Water Damage limit, not in addition to it.

6. Limited Coverage For "Fungus", Wet Rot And Dry Rot

a. Property Damage

We will pay for loss or damage by "Fungus", wet or dry rot only when the "Fungus", wet or dry rot is the direct result of a "Breakdown" to "Covered Equipment" that occurs during the policy period. As used in this Limited Coverage, the term loss or damage means:

- (1) Direct physical loss or damage to "Covered Property" caused by "Fungus", wet or dry rot including the cost of removal of the "Fungus", wet or dry rot:
 - (a) The cost to tear out and replace any "Covered Property" as needed to gain access to the "Fungus", wet or dry rot; and
 - (b) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "Fungus", wet or dry rot is present.
- (2) The coverage described under Paragraph **6.a.(1)** of 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 "Breakdown" to "Covered Equipment" which take place within the 12-month period starting with the beginning of the present annual policy period. With respect to a particular occurrence of loss which results in "Fungus", wet or dry rot, we will not pay more than a total of \$15,000 even if the "Fungus", wet or dry rot continues to be present or active or recurs in a later policy period.
- (3) 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 "Fungus", wet 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 "Fungus", wet or dry rot, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "Fungus", wet or dry rot causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.

- (4) If a Revised Limit is shown in the Declarations, the amount of \$15,000 in Paragraph **6.a.(2)** is replaced by the amount indicated in the Declarations.
- (5) If the Declarations indicates that the Separate Premises Option applies, then the amount of coverage (\$15,000, unless a higher amount is shown in the Declarations) is made applicable to separate premises as described in the Declarations. For each premises so described, the amount of coverage is an annual aggregate limit, subject to the terms set forth in Paragraph **6.a.(2)**.

b. Business Income And Extra Expense Or Extra Expense Only

- (1) If you have coverage for "Business Income" and "Extra Expense" or "Extra Expense" only, then Paragraph **b.(1)(a)** or **b.(1)(b)** applies, provided that the incurred loss or expense satisfies the terms and conditions applicable to the "Business Income" and "Extra Expense" or "Extra Expense" only coverage.

(a) If:

- (i) The "Breakdown"; or
- (ii) Any damage from water resulting from the "Breakdown";

which resulted in "Fungus", wet or dry rot, does not in itself generate a loss of "Business Income" or an "Extra Expense", but the loss of "Business Income" or "Extra Expense" is solely due to loss or damage to property caused by "Fungus", wet or dry rot, then our payment under "Business Income" and "Extra Expense" or "Extra Expense" only 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 loss of "Business Income" or an "Extra Expense" was caused by loss or damage other than "Fungus", wet or dry rot, but remediation of "Fungus", wet 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.

- (2) If a Revised Number of Days is shown in the Declarations, the number of days (30) in Paragraph **b.(1)(a)** or **b.(1)(b)** is replaced by the number of days indicated in the Declarations.

c. If you have coverage for Ordinance Or Law, then with respect to Property Damage, "Business Income" and "Extra Expense" or "Extra Expense" only, we will not pay under the Ordinance Or Law Coverage for:

- (1) Loss or expense sustained due to the enforcement of or compliance with any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to the presence, growth, proliferation, spread or any activity of "Fungus", wet or dry rot; or
- (2) The costs associated with the enforcement of or compliance with any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of "Fungus", wet or dry rot.

7. Increased Cost Of Loss And Related Expenses For "Green" Upgrades

a. Property Damage

Coverage is extended to include the additional loss or damage and related expenses incurred by you that are attributable to "Green" upgrades as a direct result of a "Breakdown" to "Covered Equipment" that occurs during the policy period. As provided in this "Green" upgrades coverage, we will pay for:

- (1) Additional expense to repair or replace the damaged "Covered Property" except raw materials, property in process, finished goods and "Stock";

- (2) Related additional expenses to:
- (a) Reuse or salvage the damaged "Covered Property";
 - (b) Remove, transport and dispose of the recyclable damaged "Covered Property" and its construction waste to appropriate sites; and
 - (c) Replace the damaged portions of roof section(s) of buildings or structures with a vegetated roof in accordance with the recommended procedures of a "Green standards- setter";
- (3) Additional reasonable and customary expense to hire the services of an accredited architect or engineer with respect to any necessary design and engineering recommendations in the course of repair or replacement of damaged portions of the building; and
- (4) Additional reasonable expense to pay:
- (a) Fees imposed by the "Green standards-setter" in order to determine if certification or recertification is appropriate according to the organization's standard;
 - (b) Fees to test "Covered Equipment" following its repair or installation as replacements, when such testing is undertaken in the course of submitting to the certification or recertification process; and
 - (c) After repair or reconstruction is completed, to flush out the renovated space and/or conduct air quality testing of the renovated space in accordance with the recommended procedures of a "Green standards-setter" and for the purpose of mitigating indoor air quality deficiencies resulting from the repair or reconstruction of the "Covered Property".

As used here, additional expenses are limited to the additional cost incurred over and above the amount that we would have paid had no "Green" upgrades been involved with the loss.

In addition, we will not pay for any:

- (i) Further modification if the "Covered Property" fails to obtain certification, recertification or a specific level of certification; or

- (ii) Additional cost to repair or replace damaged property solely for the purpose of achieving points toward certification or recertification of the property by a "Green standards-setter".

Unless a different limit or INCLUDED is shown in the Declarations, the most we pay under this "Green" upgrades coverage is an amount equal to 25% of the total Property Damage loss otherwise recoverable, subject to a maximum limit of \$100,000.

b. Business Income And Extra Expense Or Extra Expense Only

If you have coverage for "Business Income" and "Extra Expense" or "Extra Expense" only and the terms and conditions applicable to the "Business Income" and "Extra Expense" or "Extra Expense" only coverage are satisfied, then:

- (1) If the remediation of the damaged "Covered Property" using "Green" upgrades 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.
 - (2) If a Revised Number of Days is shown in the Declarations, the number of days (30) in Paragraph **b.(1)** is replaced by the number of days indicated in the Declarations.
 - (3) As used here, the prolonged "Period of Restoration" is limited to the additional days incurred over and above the amount needed had no "Green" upgrades been involved with the loss.
- c. The coverage provided under this "Green" upgrades coverage:
- (1) Does not increase any of the applicable Limits of Insurance;
 - (2) Applies despite the operation of the Ordinance Or Law Exclusion; and
 - (3) Does not reduce the coverage otherwise applicable for repair or replacement of "Covered Property" that qualified as "Green" prior to loss or damage, with comparable materials and products.

8. Electronic Vandalism

We will pay for loss or damage caused by "Breakdown" to "Covered Equipment" that is the direct or indirect result of "Electronic Vandalism". The most we will pay for the total of all such loss resulting from "Electronic Vandalism", which takes place within a 12-month period, starting with the beginning of the present annual policy period, is \$100,000. This limit applies regardless of the number of locations.

D. Deductibles

1. Application Of Deductibles

We will not pay for loss or damage resulting from any "One Breakdown" until the amount of covered loss or damage exceeds the deductible shown in the Declarations for each applicable coverage. We will then pay the amount of covered loss or damage in excess of the deductible, up to the applicable Limit of Insurance.

Deductibles apply separately for each applicable coverage except if:

- a. A deductible is shown as COMBINED for any of the coverages in the Declarations, then we will first subtract the combined deductible amount from the aggregate amount of any loss to which the combined deductible applies; or
- b. More than one "Covered Equipment" is involved in "One Breakdown", then only one deductible, the highest, shall apply for each of the applicable coverages.

2. Determination Of Deductibles

a. Dollar Deductible

If a dollar deductible is shown in the Declarations, we will first subtract the deductible amount from any loss we would otherwise pay.

b. Time Deductible

If a time deductible is shown in the Declarations, we will not be liable for any loss under that coverage that occurs during that specified time period immediately following a "Breakdown". If a time deductible is shown in days, each day shall mean 24 consecutive hours.

c. Multiple Of Daily Value Deductible

If a multiple of daily value is shown in the Declarations, this deductible will be calculated as follows:

- (1) For the entire premises where the loss occurred, determine the total amount of "Business Income" that would have been earned during the "Period of Restoration" had no "Breakdown" taken place.
- (2) Divide the result in Paragraph (1) by the number of days the business would have been open during the "Period of Restoration". The result is the daily value.

(3)

(4) Multiply the daily value in Paragraph (2) by the number of days shown in the Declarations. We will first subtract this deductible amount from any loss we would otherwise pay. We will then pay the amount of loss or damage in excess of the deductible, up to the applicable Limit of Insurance.

d. Percentage Of Loss Deductible

If a deductible is expressed as a percentage of loss in the Declarations, we will not be liable for the indicated percentage of gross amount of loss or damage (prior to the applicable deductible or coinsurance) insured under the applicable coverage.

e. Minimum Or Maximum Deductibles

(1) If:

- (a) A minimum dollar amount deductible is shown in the Declarations; and
- (b) The dollar amount of the Multiple of Daily Value or the Percentage of Loss Deductible is less than the Minimum Deductible;

then the Minimum Deductible amount shown in the Declarations will be the applicable deductible.

(2) If:

- (a) A maximum dollar amount deductible is shown in the Declarations; and
- (b) The dollar amount of the Multiple of Daily Value or the Percentage of Loss Deductible is greater than the Maximum Deductible;

then the Maximum Deductible amount shown in the Declarations will be the applicable deductible.

E. Equipment Breakdown Protection Conditions

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

1. Loss Conditions

a. Abandonment

There can be no abandonment of any property to us.

b. Appraisal

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

Each party will:

- (1) Pay its chosen appraiser; and
- (2) 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.

c. Defense

We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.

d. Duties In The Event Of Loss Or Damage

- (1) You must see that the following are done in the event of loss or damage to "Covered Property":
 - (a) Give us a prompt notice of the loss or damage. Include a description of the property involved.
 - (b) As soon as possible, give us a description of how, when and where the loss or damage occurred.
 - (c) Allow us a reasonable time and opportunity to examine the property and premises before repairs are undertaken or physical evidence of the "Breakdown" is removed. But you must take whatever measures are necessary to protect the property and premises from further damage.
 - (d) 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.

- (e) 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.

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

- (2) 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.

e. 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.

f. Legal Action Against Us

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

- (1) There has been full compliance with all the terms of this Coverage Part; and
- (2) The action is brought within two years after the date of the "Breakdown"; or
- (3) We agree in writing that you have an obligation to pay for damage to "Covered Property" of others or until the amount of that obligation has been determined by final judgment or arbitration award. No one has the right under this policy to bring us into any action to determine your liability.

g. Loss Payable Clause

- (1) We will pay you and the loss payee shown in the Declarations for loss due to a "Breakdown" to "Covered Equipment", as interests may appear. The insurance covers the interest of the loss payee unless the loss results from conversion, secretion or embezzlement on your part.
- (2) We may cancel the policy as allowed by the Cancellation Condition. Cancellation ends this agreement as to the loss payee's interest. If we cancel, we will mail you and the loss payee the same advance notice.

- (3) If we make any payment to the loss payee, we will obtain their rights against any other party.

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 Paragraph (1), 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.

i. Privilege To Adjust With Owner

In the event of loss or damage involving property of others in your care, custody or control, we have the right to settle the loss or damage with the owner of the property. A receipt for payment from the owner of that property will satisfy any claim of yours against us.

j. Reducing Your Loss

As soon as possible after a "Breakdown", you must:

- (1) Resume business, partially or completely;
- (2) Make up for lost business within a reasonable period of time. This reasonable period does not necessarily end when operations are resumed; and
- (3) Make use of every reasonable means to reduce or avert loss, including:
 - (a) Working extra time or overtime at the premises or at another premises you own or acquire to carry on the same operations;
 - (b) Utilizing the property and/or services of other concerns;
 - (c) Using merchandise or other property, such as surplus machinery, duplicate parts, equipment, supplies and surplus or reserve stock you own, control or can obtain; or

- (d) Salvaging the damaged "Covered Property".

k. Transfer Of Rights Of Recovery Against Others To Us

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:

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

This will not restrict your insurance.

l. Valuation

- (1) We will determine the value of "Covered Property" in the event of loss or damage as follows:
 - (a) The cost to repair, rebuild or replace the damaged property with property of the same kind, capacity, size or quality on the same site or another site, whichever is the less costly; or
 - (b) The cost actually and necessarily expended in repairing, rebuilding or replacing on the same site or another site, whichever is the less costly;except we will not pay for such damaged property that is obsolete and useless to you.
- (2) If you elect or we require that the repair or replacement of the damaged "Covered Equipment" be done in a manner that enhances safety while maintaining the existing function, then we will pay, subject to the limit of insurance, up to an additional 25% of the property damage amount for the "Covered Equipment" otherwise recoverable.

- (3) If:
- (a) Any damaged "Covered Property" is protected by an extended warranty, or maintenance or service contract; and

- (b) That warranty or contract becomes void or unusable due to a "Breakdown";

we will reimburse you for the unused costs of nonrefundable, nontransferable warranties or contracts.

- (4) Unless we agree otherwise in writing, if you do not repair or replace the damaged property within 24 months following the date of the "Breakdown", then we will pay only the smaller of the:

- (a) Cost it would have taken to repair or replace; or
- (b) Actual cash value at the time of the "Breakdown".

- (5) If all of the following conditions are met, property held by you for sale will be valued at the selling price as if no loss or damage had occurred, less any discounts you offered and expenses you otherwise would have had:

- (a) The property was manufactured by you;
- (b) The selling price of the property is more than the replacement cost of the property; and
- (c) You are unable to replace the property before its anticipated sale.

- (6) We will pay for loss to damaged "Data" or "Media" as follows:

- (a) Replacement cost for "Data" or "Media" that are mass produced and commercially available; and
- (b) The cost you actually spend to reproduce the records on blank material for all other "Data" or "Media", including the cost of gathering or assembling information for such reproduction.

However, we will not pay for "Data" or "Media" that we determine are not or cannot be replaced with "Data" or "Media" of like kind and quality or property of similar functional use.

- (7) We will determine the value of "Covered Property" under Spoilage Damage Coverage as follows:

- (a) For raw materials, the replacement cost;

- (b) For property in process, the replacement cost of the raw materials, the labor expended and the proper proportion of overhead charges; and

- (c) For finished products, the selling price, as if no loss or damage had occurred, less any discounts you offered and expenses you otherwise would have had.

- (8) Any salvage value of property obtained for temporary repairs or use following a "Breakdown" which remains after repairs are completed will be taken into consideration in the adjustment of any loss.

- m. The following additional conditions apply to the "Business Income" and "Extra Expense" Coverage:

(1) Annual Reports

You must complete an Annual Report of Values form approved by us once each year. Your reports must reach us within three months of the annual report date shown in the Declarations and each anniversary of that date.

(2) Adjustment Of Premium

Upon receipt of the annual reports of values you furnish us, we will determine the amount of premium we earned for the past year. If the amount determined is more than the premium we have already charged for this coverage, you must pay the difference. If the amount determined is less than the premium we originally charged, we will refund the difference. However, the amount we return will not exceed 75% of the premium we originally charged.

(3) Coinsurance

This Coinsurance Condition applies only if we did not receive your Annual Report of Values form within three months of the due date as outlined in Paragraph (1).

- (a) We will not pay the full amount of any loss if:
 - (i) The "Business Income Actual Annual Value" at the time of loss is greater than the "Business Income Estimated Annual Value" shown in your latest report; or
 - (ii) Your report was received by us more than three months after the due date, or your report is overdue.
- (b) Instead, we will determine the most we will pay using the following steps:
 - (i) Divide the "Business Income Estimated Annual Value" by the "Business Income Actual Annual Value" at the time of the "Breakdown";
 - (ii) Multiply the total amount of the covered loss of "Business Income" by the figure determined in Step (i); and
 - (iii) Subtract any applicable deductible from the amount determined in Step (ii).

We will pay the amount determined in Step (iii) or the "Business Income" and "Extra Expense" limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

If coverage is provided for more than one premises, then this Coinsurance Condition applies separately to each premises.

2. General Conditions

a. Additional Insured

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

b. Bankruptcy

The bankruptcy or insolvency of you or your estate will not relieve us of our obligation under this Coverage Part.

c. Concealment, Misrepresentation Or Fraud

This Coverage Part is void in any case of fraud, intentional concealment or misrepresentation of a material fact by you or any other insured, at any time, 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. Liberalization

If we adopt any standard form revision for general use that would broaden coverage in this Coverage Part without additional premium, the broadened coverage will immediately apply to this Coverage Part if the revision is effective within 45 days prior to or during the policy period.

e. Mortgageholder

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

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

(5) If we pay the mortgageholder for any loss and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

- (a) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
- (b) 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.

(6) If we cancel this policy, we will give written notice to the mortgageholder at least:

- (a) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
- (b) 30 days before the effective date of cancellation if we cancel for any other reason.

(7) If we do not renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

(8) If we suspend coverage, it will also be suspended as respects the mortgageholder. We will give written notice of the suspension to the mortgageholder.

f. No Benefit To Bailee

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

g. Policy Period, Coverage Territory

Under this Coverage Part:

- (1) We cover loss or damage commencing:
 - (a) During the policy period shown in the Declarations; and
 - (b) Within the coverage territory.
- (2) The coverage territory is:
 - (a) The United States of America (including its territories and possessions);

(b) Puerto Rico; and

(c) Canada.

h. Premium And Adjustments

You shall report to us 100% of the total insurable values at each premises every year as of the anniversary date. The values shall be reported separately for each of the coverages provided. Premium for each anniversary will be promulgated for the ensuing period on the basis of rates in effect at the anniversary date and for all values at risk.

You agree to keep the applicable records for each policy year available for inspection by our representatives at all times during business hours, during the respective policy year, and for a period of 12 months after the end of the respective policy year or after cancellation of this Coverage Part.

i. Suspension

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

- (1) Your last known address; or
- (2) The address where the "Covered Equipment" is located.

Once suspended in this way, your insurance can be reinstated only by an endorsement for that "Covered Equipment".

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

3. Joint Or Disputed Loss Agreement

a. This condition is intended to facilitate payment of insurance proceeds when:

- (1) Both a commercial property policy and this equipment breakdown protection policy are in effect;
- (2) Damage occurs to "Covered Property" that is insured by the commercial property policy and this equipment breakdown protection policy; and
- (3) There is disagreement between the insurers as to whether there is coverage or as to the amount of the loss to be paid, if any, by each insurer under its own policies.

- b. This condition does not apply if:
 - (1) Both the commercial property insurer(s) and we do not admit to any liability; and
 - (2) Neither the commercial property insurer(s) nor we contend that coverage applies under the other insurer's policy.
- c. The provisions of this condition apply only if all of the following requirements are met:
 - (1) The commercial property policy carried by the Named Insured, insuring the "Covered Property", contains a similar provision at the time of the loss or damage, with substantially the same requirements, procedures and conditions as contained in this condition;
 - (2) The damage to the "Covered Property" was caused by a loss for which:
 - (a) Both the commercial property insurer(s) and we admit to some liability for payment under the respective policies; or
 - (b) Either:
 - (i) The commercial property insurer(s) does not admit to any liability for payment, while we contend that:
 - i. All liability exists under the commercial property policy; or
 - ii. Some liability exists under both the commercial property policy and this equipment breakdown protection policy;
 - (ii) We do not admit to any liability for payment, while the commercial property insurer(s) contends that:
 - i. All liability exists under this equipment breakdown protection coverage policy; or
 - ii. Some liability exists under both the commercial property policy and this equipment breakdown protection policy; or
 - (iii) Both the commercial property insurer(s) and we:
 - i. Do not admit to any liability for payment; and
 - ii. Contend that some or all liability exists under the other insurer's policy; and
- (c) The total amount of the loss is agreed to by you, the commercial property insurer(s) and us.
- d. If the requirements listed in Paragraph c. above are satisfied, we and the commercial property insurer(s) will make payments to the extent, and in the manner, described as follows:
 - (1) We will pay, after your written request, the entire amount of loss that we have agreed as being covered, if any, by this equipment breakdown protection policy and one-half (1/2) the amount of the loss that is in disagreement.
 - (2) The commercial property insurer(s) will pay, after your written request, the entire amount of loss that they have agreed as being covered, if any, by the commercial property policy and one-half (1/2) the amount of loss that is in disagreement.
 - (3) Payments by the insurers of the amounts that are in disagreement, as described in Paragraphs (1) and (2), do not alter, waive or surrender any rights of any insurer against any other with regard to the portion of the loss for which each insurer is liable.
 - (4) The amount in disagreement to be paid by us under this condition shall not exceed the amount payable under the equivalent Loss Agreement(s) of the commercial property policy.
 - (5) The amount to be paid under this condition shall not exceed the amount we would have paid had no commercial property policy been in effect at the time of loss. In no event will we pay more than the applicable Limit Of Insurance shown in the Declarations.
 - (6) Acceptance by you of sums paid under this condition does not alter, waive or surrender any other rights against us.
- e. **Arbitration**
 - (1) If the circumstances described in Paragraph c.(2)(a) exist and the commercial property insurer(s) and we agree to submit our differences to arbitration, the commercial property insurer(s) and we will determine the amount each will pay and will pay the insured within 90 days. Arbitration will then take place within 90 days after payment of the loss under the terms of this condition.

- (2) If any of the circumstances described in Paragraph **c.(2)(b)** exist, then the commercial property insurer(s) and we agree to submit our differences to arbitration within 90 days after payment of the loss under the terms of this condition.
- (3) You agree to cooperate with any arbitration procedures. There will be three arbitrators: one will be appointed by us, and another will be appointed by the commercial property insurer(s). The two arbitrators will select a third arbitrator. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. A decision agreed to by two of the three arbitrators will be binding on both parties. Judgment on any award can be entered in any court that has jurisdiction.

f. Final Settlement Between Insurers

The insurer(s) found responsible for the greater percentage of the ultimate loss must return the excess contribution to the other insurer(s). In addition, the insurer(s) found responsible for the greater portion of the loss must pay Liquidated Damages to the other insurer(s) on the amount of the excess contribution of the other insurer(s). Liquidated Damages are defined as interest from the date the insured invokes this Agreement to the date the insurer(s) that contributed the excess amount is reimbursed. The interest is calculated at 1.5 times the highest prime rate from the Money Rates column of the Wall Street Journal during the period of the Liquidated Damages. Arbitration expenses are not a part of the excess contribution for which Liquidated Damages are calculated. Arbitration expenses will be apportioned between insurers on the same basis that the ultimate loss is apportioned.

F. Definitions

1. "Breakdown":

- a. Means the following direct physical loss that causes damage to "Covered Equipment" and necessitates its repair or replacement:
 - (1) Failure of pressure or vacuum equipment;
 - (2) Mechanical failure including rupture or bursting caused by centrifugal force; or
 - (3) Electrical failure including arcing;

unless such loss or damage is otherwise excluded within this Coverage Form.

b. Does not mean or include:

- (1) Malfunction including but not limited to adjustment, alignment, calibration, cleaning or modification;
- (2) Defects, erasures, errors, limitations or viruses in computer equipment and programs including the inability to recognize and process any date or time or provide instructions to "Covered Equipment";
- (3) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
- (4) Damage to any vacuum tube, gas tube, or brush;
- (5) Damage to any structure or foundation supporting the "Covered Equipment" or any of its parts;
- (6) The functioning of any safety or protective device; or
- (7) The cracking of any part on an internal combustion gas turbine exposed to the products of combustion.

2. "Business Income" means the:

- a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; and
- b. Continuing normal operating expenses incurred, including payroll.

3. "Business Income Actual Annual Value" means the sum of the Net Income and continuing normal operating expenses incurred, including payroll that would have been earned had the "Breakdown" not occurred.

4. "Business Income Estimated Annual Value" means the sum of the Net Income and continuing normal operating expenses incurred, including payroll as estimated by you in the most recent Annual Report of Values form on file with us.

5. "Computer Equipment" means:

- a. Your 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 or auxiliary functions such as data transmission.

It does not include "Data" or "Media".

6. "Covered Equipment":

a. Means and includes any:

- (1)** Equipment built to operate under internal pressure or vacuum other than weight of contents;
- (2)** Electrical or mechanical equipment that is used in the generation, transmission or utilization of energy;
- (3)** Communication equipment and "Computer Equipment"; and
- (4)** Equipment in Paragraphs **(1)**, **(2)** and **(3)** that is owned by a public or private utility and used solely to supply utility services to your premises.

However, if Coverage **A.2.e.** Utility Interruption is provided, then Paragraph **6.a.(4)** does not apply.

Except for Paragraph **6.a.(4)**, Utility Interruption and Contingent "Business Income" and "Extra Expense" or "Extra Expense" only coverages, the "Covered Equipment" must be located at a premises described in the Declarations and be owned, leased or operated under your control.

b. Does not mean or include any:

- (1)** "Media";
- (2)** Part of pressure or vacuum equipment that is not under internal pressure of its contents or internal vacuum;
- (3)** Insulating or refractory material, but not excluding the glass lining of any "Covered Equipment";
- (4)** Nonmetallic pressure or vacuum equipment, unless it is constructed and used in accordance with the American Society of Mechanical Engineers (A.S.M.E.) code or another appropriate and approved code;
- (5)** Catalyst;
- (6)** Vessels, piping and other equipment that is buried belowground and requires the excavation of materials to inspect, remove, repair or replace;
- (7)** Structure, foundation, cabinet or compartment supporting or containing the "Covered Equipment" or part of the "Covered Equipment" including penstock, draft tube or well casing;

8. "Data" means:

- a.** Programmed and recorded material stored on "Media"; and
- b.** Programming records used for electronic data processing, or electronically controlled equipment.

(8) Vehicle, aircraft, self-propelled equipment or floating vessel including any "Covered Equipment" that is mounted upon or used solely with any one or more vehicle(s), aircraft, self-propelled equipment or floating vessel;

(9) Dragline, excavation or construction equipment including any "Covered Equipment" that is mounted upon or used solely with any one or more dragline(s), excavation or construction equipment;

(10) Felt, wire, screen, die, extrusion plate, swing hammer, grinding disc, cutting blade, nonelectrical cable, chain, belt, rope, clutch plate, brake pad, nonmetal part or any part or tool subject to periodic replacement;

(11) Machine or apparatus used solely for research, diagnosis, medication, surgical, therapeutic, dental or pathological purposes including any "Covered Equipment" that is mounted upon or used solely with any one or more machine(s) or apparatus unless Diagnostic Equipment is shown as INCLUDED in the Declarations; or

(12) Equipment or any part of such equipment manufactured by you for sale.

7. "Covered Property" means any property that:

- a.** You own; or
- b.** Is in your care, custody or control and for which you are legally liable.

9. "Electronic Vandalism" means:
- a. Willful or malicious destruction of computer programs, content, instructions or other electronic or digital data stored within computer systems.
 - b. Unauthorized computer code or programming that:
 - (1) Deletes, distorts, corrupts or manipulates computer programs, content, instructions or other electronic or digital data, or otherwise results in damage to computers or computer systems or networks to which it is introduced;
 - (2) Replicates itself, impairing the performance of computers or computer systems or networks; or
 - (3) Gains remote control access to data and programming within computers or computer systems or networks to which it is introduced.
10. "Extra Expense" means the additional cost you incur to operate your business during the "Period of Restoration" over and above the cost that you normally would have incurred to operate the business during the same period had no "Breakdown" occurred.
11. "Fungus" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or by-products produced or released by fungi.

9. "Green" means enhanced energy efficiency or use of environmentally-preferable, sustainable materials, products or methods in design, construction, manufacture or operation, as recognized by a "Green standards-setter".
10. "Green standards-setter" means an organization or governmental agency which produces and maintains guidelines related to "Green" products and practices. "Green standards-setters" include but are not limited to:
 - a. The Leadership in Energy and Environmental Design (LEED®) program of the U.S. Green Building Council;
 - b. ENERGY STAR, a joint program of the U.S. Environmental Protection Agency and the U.S. Department of Energy; and
 - c. Green Globes™, a program of the Green Building Initiative.
11. "Hazardous Substance" means any substance other than ammonia that has been declared to be hazardous to health by a government agency.

12. "Media" means electronic data processing or storage media such as films, tapes, discs, drums or cells.
13. "One Breakdown" means if an initial "Breakdown" causes other "Breakdowns", all will be considered "One Breakdown". All "Breakdowns" at any one premises that manifest themselves at the same time and are the direct result of the same cause will be considered "One Breakdown".
14. "Period of Restoration" means the period of time that:
 - a. Begins at the time of the "Breakdown" or 24 hours before we receive notice of "Breakdown", whichever is later; and
 - b. Ends five consecutive days after the date when the damaged property at the premises described in the Declarations is repaired or replaced with reasonable speed and similar quality.
15. "Stock" means merchandise held in storage or for sale, raw materials, property in process or finished products including supplies used in their packing or shipping.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EARTHQUAKE AND VOLCANIC ERUPTION ENDORSEMENT (SUB-LIMIT FORM)

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART STANDARD PROPERTY POLICY

- A.** When this endorsement is attached to the Standard Property Policy, the terms Coverage Part and Coverage Form in this endorsement are replaced by the term Policy.
- B.** This endorsement applies to the Covered Property and Coverages for which an Earthquake – Volcanic Eruption Limit Of Insurance is shown in the Earthquake – Volcanic Eruption Coverage Schedule or in the Declarations.

C. Additional Covered Causes Of Loss

1. The following are added to the Covered Causes of Loss:
 - a. Earthquake.
 - b. Volcanic Eruption, meaning the eruption, explosion or effusion of a volcano.All Earthquake shocks or Volcanic Eruptions that occur within any 168-hour period will constitute a single Earthquake or Volcanic Eruption. The expiration of this policy will not reduce the 168-hour period.
2. If the Earthquake – Volcanic Eruption Coverage Schedule or the Declarations indicate that this endorsement covers Earthquake – Sprinkler Leakage Only, then the Covered Causes of Loss in Paragraph **C.1.** of this endorsement do not apply, and the following apply instead:
 - a. Sprinkler Leakage resulting from Earthquake.
 - b. Sprinkler Leakage resulting from Volcanic Eruption. Volcanic Eruption means the eruption, explosion or effusion of a volcano.

All Earthquake shocks or Volcanic Eruptions that occur within any 168-hour period will constitute a single Earthquake or Volcanic Eruption. The expiration of this policy will not reduce the 168-hour period.

D. Exclusions, Limitations And Related Provisions

1. The Exclusions and Limitation(s) sections of the Causes Of Loss Form (and the Exclusions and Omissions Coverage Form and the Standard Property Policy) apply to coverage provided under this endorsement, except as provided in **D.2.** and **D.3.** below.
2. To the extent that the Earth Movement Exclusion might conflict with coverage provided under this endorsement, the Earth Movement Exclusion does not apply.
3. The exclusion of collapse, in the Causes Of Loss – Special Form and Mortgageholders Errors And Omissions Coverage Form, does not apply to collapse caused by Earthquake or Volcanic Eruption.
4. The Additional Coverage – Collapse, in the Causes Of Loss – Broad Form, Causes Of Loss – Special Form and Mortgageholders Errors And Omissions Coverage Form, does not apply to the coverage provided under this endorsement. This endorsement includes coverage for collapse caused by Earthquake or Volcanic Eruption.
5. We will not pay for loss or damage caused directly or indirectly by tidal wave or tsunami, even if attributable to an Earthquake or Volcanic Eruption.

6. We will not pay for loss or damage caused by or resulting from any Earthquake or Volcanic Eruption that begins before the inception of this insurance.
7. The Ordinance Or Law Exclusion in this Coverage Part continues to apply with respect to any loss under this Coverage Part including any loss under this endorsement, unless Ordinance Or Law Coverage is added by endorsement.
8. We will not pay for loss of or damage to exterior masonry veneer (except stucco) on wood frame walls caused by or resulting from Earthquake or Volcanic Eruption. The value of such veneer will not be included in the value of Covered Property or the amount of loss when applying the Property Damage Deductible applicable to this endorsement.
This limitation, **D.8.**, does not apply if:
 - a. The Earthquake – Volcanic Eruption Coverage Schedule or the Declarations indicate that the “Including Masonry Veneer” option applies; or
 - b. Less than 10% of the total outside wall area is faced with masonry veneer (excluding stucco).
9. Under this Coverage Part, as set forth under Property Not Covered in the Coverage Form to which this endorsement is attached, land is not covered property, nor is the cost of excavations, grading, backfilling or filling. Therefore, coverage under this endorsement does not include the cost of restoring or remediating land.

E. No Coinsurance

The Coinsurance Condition in this policy, if any, does not apply to the coverage provided under this endorsement.

Various Coverage Extensions, in the Coverage Form to which this endorsement is attached, require coinsurance. The coinsurance requirement for such Coverage Extensions is eliminated with respect to coverage provided under this endorsement.

F. Limit Of Insurance

1. General Information

The term Limit of Insurance means the Limit of Insurance applicable to Earthquake – Volcanic Eruption for the Covered Property or Coverage under which loss or damage is sustained.

The Earthquake – Volcanic Eruption Coverage Schedule or the Declarations provide information on the Limit of Insurance applicable to Covered Property and Coverages for Earthquake – Volcanic Eruption.

2. Annual Aggregate Limit

The Limit of Insurance for Earthquake – Volcanic Eruption is an annual aggregate limit and as such is the most we will pay for the total of all loss or damage that is caused by Earthquake or Volcanic Eruption in a 12-month period (starting with the beginning of the present annual policy period), even if there is more than one Earthquake or Volcanic Eruption during that period of time. Thus, if the first Earthquake or Volcanic Eruption does not exhaust the Limit of Insurance, then the balance of that Limit is available for a subsequent Earthquake(s) or Volcanic Eruption(s).

If a single Earthquake or Volcanic Eruption (as defined in Section **C.** of this endorsement) begins during one annual policy period and ends during the following annual policy period, any Limit of Insurance applicable to the following annual policy period will **not** apply to such Earthquake or Volcanic Eruption.

3. Increased Annual Aggregate Limit Option

If the Earthquake – Volcanic Eruption Coverage Schedule or the Declarations indicate that the Increased Annual Aggregate Limit Option applies, then the following applies instead of Paragraph **F.2.** above:

The Limit of Insurance for Earthquake – Volcanic Eruption is the most we will pay in a single Earthquake or Volcanic Eruption (as defined in Section **C.** of this endorsement) for loss or damage caused by the Earthquake or Volcanic Eruption. If there is more than one Earthquake or Volcanic Eruption in a 12-month period (starting with the beginning of the present annual policy period), the most we will pay for the total of all loss or damage sustained during that period of time and caused by Earthquake or Volcanic Eruption is two times the Limit of Insurance.

If a single Earthquake or Volcanic Eruption (as defined in Section **C.** of this endorsement) begins during one annual policy period and ends during the following annual policy period, any Limit of Insurance applicable to the following annual policy period will **not** apply to such Earthquake or Volcanic Eruption.

4. Additional Coverages And Coverage Extensions

Amounts payable under an Additional Coverage or Coverage Extension, as set forth in the applicable Coverage Form, do not increase the Limit of Insurance for Earthquake – Volcanic Eruption.

5. Limitation

For property or coverage that is subject to a Blanket Limit on Earthquake – Volcanic Eruption (as shown in the Earthquake – Volcanic Eruption Coverage Schedule or in the Declarations), we will not pay more than we would pay in the absence of such Blanket Limit. Therefore, the maximum amount payable for any such item of property or coverage is the Limit of Insurance or stated value (as shown in a Statement of Values on file with us) specific to that item of property or coverage for Covered Causes of Loss other than Earthquake – Volcanic Eruption.

6. Ensuing Loss

If a Cause of Loss (such as fire) is covered by means of an exception to the Earth Movement Exclusion, in the Causes Of Loss Form, we will also pay for the loss or damage caused by that other Covered Cause of Loss. But the most we will pay, for the total of all loss or damage caused by the Earthquake, Volcanic Eruption and other Covered Cause of Loss, is the Limit of Insurance applicable to such other Covered Cause of Loss. We will **not** pay the sum of the two Limits.

EXAMPLES – ENSUING LOSS

Two examples follow using these facts: The Commercial Property Coverage Part, in these examples, includes the Causes Of Loss – Basic Form (which covers fire) and this Earthquake – Volcanic Eruption Endorsement. A building is damaged by Earthquake, and by Fire which is caused by the Earthquake. The value of the damaged building is \$1,000,000. The Limit of Insurance applicable to the building, for the Basic Causes of Loss, is \$800,000. The Limit of Insurance for Earthquake – Volcanic Eruption is \$400,000. The Earthquake Deductible amount is \$50,000.

Example 1

The damage due to Earthquake is \$500,000.

The damage due to Fire is \$500,000.

Payment for Earthquake damage is \$400,000 (\$500,000 damage minus \$50,000 Earthquake deductible = \$450,000; Limit is \$400,000).

Payment for Fire damage is \$400,000 (\$500,000 damage capped at the difference between the Basic Limit and the Earthquake Limit).

Total Loss Payment is \$800,000.

Example 2

The damage due to Earthquake is \$800,000.

The damage due to Fire is \$100,000.

Payment for Earthquake damage is \$400,000 (\$800,000 damage minus \$50,000 Earthquake deductible = \$750,000; Limit is \$400,000).

Payment for Fire damage is \$100,000 (amount of damage).

Total Loss Payment is \$500,000.

G. Property Damage Deductible

1. The provisions of Section **G.3.** of this endorsement are applicable to all Coverage Forms except:

- a. Business Income (And Extra Expense) Coverage Form;
- b. Business Income (Without Extra Expense) Coverage Form;
- c. Extra Expense Coverage Form.

2. If the Declarations indicate that this endorsement covers Earthquake – Sprinkler Leakage Only, then the Deductible set forth in Section **G.3.** of this endorsement does not apply to such coverage. The applicable Deductible for such coverage is the same Deductible that applies to Fire.

3. The Deductible, if any, in this Coverage Part is replaced by the following with respect to Earthquake and Volcanic Eruption:

a. All Policies

- (1) The Deductible provisions apply to each Earthquake or Volcanic Eruption.
- (2) Separate Deductibles are calculated for, and apply to, each building, personal property at each building and personal property in the open. Deductibles are separately calculated and applied even if:
 - (a) Two or more buildings sustain loss or damage;
 - (b) Personal property at two or more buildings sustains loss or damage; and/or
 - (c) A building and the personal property in that building sustain loss or damage.

- (3) We will not pay for loss or damage until the amount of loss or damage exceeds the applicable Deductible. We will then pay the amount of loss or damage in excess of that Deductible, up to the applicable Limit of Insurance.
- (4) When property is covered under the Coverage Extension for Newly Acquired or Constructed Property: In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to a percentage of the value of the property at time of loss. The applicable percentage for Newly Acquired or Constructed Property is the highest percentage shown in the Earthquake – Volcanic Eruption Coverage Schedule or in the Declarations for any described premises.
- (5) If there is loss or damage caused by Earthquake or Volcanic Eruption, and loss or damage caused by a Cause of Loss (e.g., fire) that is covered by means of an exception to the Earth Movement Exclusion, then the only applicable Deductible provisions are those stated in this endorsement.

b. Calculation Of The Deductible – Specific Insurance Other Than Builders Risk

(1) Property Not Subject To Value Reporting Forms

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to a percentage (as shown in the Earthquake – Volcanic Eruption Coverage Schedule or in the Declarations, concerning the Earthquake – Volcanic Eruption Deductible) of the value of the property that has sustained loss or damage. The value to be used is that shown in the most recent Statement of Values on file with us.

(2) Property Subject To Value Reporting Forms

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to a percentage (as shown in the Earthquake – Volcanic Eruption Coverage Schedule or in the Declarations, concerning the Earthquake – Volcanic Eruption Deductible) of the value of the property that has sustained loss or damage. The value to be used is the latest value shown in the most recent Report of Values on file with us.

However:

- (a) If the most recent Report of Values shows less than the full value of the property on the report dates, we will determine the deductible amount as a percentage of the full value as of the report dates.
- (b) If the first Report of Values is not filed with us prior to loss or damage, we will determine the deductible amount as a percentage of the value shown in the most recent Statement of Values on file with us.

c. Calculation Of The Deductible – Blanket Insurance Other Than Builders Risk

(1) Property Not Subject To Value Reporting Forms

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to a percentage (as shown in the Earthquake – Volcanic Eruption Coverage Schedule or in the Declarations, concerning the Earthquake – Volcanic Eruption Deductible) of the value of the property that has sustained loss or damage. The value to be used is that shown in the most recent Statement of Values on file with us.

(2) Property Subject To Value Reporting Forms

In determining the amount, if any, that we will pay for property that has sustained loss or damage, we will deduct an amount equal to a percentage (as shown in the Earthquake – Volcanic Eruption Coverage Schedule or in the Declarations, concerning the Earthquake – Volcanic Eruption Deductible) of the value of that property as of the time of loss or damage.

d. Calculation Of The Deductible – Builders Risk Insurance

(1) Builders Risk Other Than Reporting Form

In determining the amount, if any, that we will pay for property that has sustained loss or damage, we will deduct an amount equal to a percentage (as shown in the Earthquake – Volcanic Eruption Coverage Schedule or in the Declarations, concerning the Earthquake – Volcanic Eruption Deductible) of the actual cash value of that property as of the time of loss or damage.

(2) Builders Risk Reporting Form

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to a percentage (as shown in the Earthquake – Volcanic Eruption Coverage Schedule or in the Declarations, concerning the Earthquake – Volcanic Eruption Deductible) of the value of the property that has sustained loss or damage. The value to be used is the actual cash value shown in the most recent Report of Values on file with us.

However:

- (a)** If the most recent Report of Values shows less than the actual cash value of the property on the report date, we will determine the deductible amount as a percentage of the actual cash value as of the report date.
- (b)** If the first Report of Values is not filed with us prior to loss or damage, we will determine the deductible amount as a percentage of the actual cash value of the property as of the time of loss or damage.

H. Example – Application Of Deductible In G.3.b.(1) And G.3.c.(1) – For Specific Or Blanket Insurance Other Than Builders Risk (Not Subject To Value Reporting Forms)

The values, as shown in the most recent Statement of Values on file with us, are:

Building 1 \$500,000

Building 2 \$500,000

Business Personal Property at Building 1 \$250,000

Business Personal Property at Building 2 \$250,000

For this example, assume that the amounts of loss do not exceed the applicable Limits of Insurance (for specific insurance). Also assume that the total amount of loss does not exceed the applicable Blanket Limit of Insurance (for blanket insurance).

Building 1 and Business Personal Property at Building 1 have sustained damage; the amounts of loss are \$95,000 (Building) and \$5,000 (Business Personal Property).

The Deductible is 10%.

Building

Step (1): $\$500,000 \times 10\% = \$50,000$

Step (2): $\$95,000 - \$50,000 = \$45,000$

Business Personal Property

Step (1): $\$250,000 \times 10\% = \$25,000$

The loss, \$5,000, does not exceed the deductible.

The most we will pay is \$45,000. The remainder of the building loss, \$50,000, is not covered due to application of the Deductible. There is no loss payment for the business personal property.

I. Business Income And Extra Expense Period Of Restoration

This Section I. is applicable only to the Coverage Forms specified below:

- 1. Business Income (And Extra Expense) Coverage Form;
- 2. Business Income (Without Extra Expense) Coverage Form;
- 3. Extra Expense Coverage Form.

The "period of restoration" definition stated in the Coverage Form, or in any endorsement amending the beginning of the "period of restoration", applies to each Earthquake or Volcanic Eruption. A single Earthquake or Volcanic Eruption is defined in Section C. of this endorsement.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COASTAL HABITATIONAL AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

CONDOMINIUM ASSOCIATION COVERAGE FORM
CAUSES OF LOSS - SPECIAL FORM

If any coverage provided by this endorsement is afforded elsewhere in this policy by any other coverage form or endorsement, then the applicable limit of insurance shall be the highest single limit provided by this policy. Coverage as respects the coverage form or endorsement that provides a lesser limit for any such duplicate coverage shall not apply.

The **CONDOMINIUM ASSOCIATION COVERAGE FORM** is amended as follows:

I. Subparagraph **e. Increased Cost of Construction** of Paragraph **4. Additional Coverages** (Section **A. Coverage**) is deleted in its entirety and replaced with the following:

e. Ordinance or Law

- (1) This Additional Coverage applies only to buildings to which the Replacement Cost Coverage applies.
- (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 that requires you to demolish and clear the site of undamaged parts of the building, subject to the limitations stated in e.(4) through e.(10) of this Additional Coverage.
- (3) 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 e.(4) through e.(10) of this Additional Coverage.
- (4) The ordinance or law referred to in e.(2) and e.(3) 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.
- (5) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:
 - (a) You were required to comply with before the loss, even when the building was undamaged; and
 - (b) You failed to comply with.
- (6) 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 "fungus", wet or dry rot or bacteria; or

- (b) Any costs associated with the enforcement of an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.
- (7) The most we will pay under this Additional Coverage, for each described building insured under this Coverage Form, is the lesser of 10% of the Limit of Insurance applicable to that building or \$1,000,000 unless a higher limit is shown on the Declarations, or by endorsement hereto. The amount payable under this Additional Coverage is in addition to the Limits of Insurance.
- (8) 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, subject to the provisions of e.(7) of this Additional Coverage, 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, subject to the provisions of e.(7) of this Additional Coverage, is the increased cost of construction at the new premises.
- (9) 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.
- (10) The costs addressed in the Loss Payment and Valuation Conditions, and the Replacement Cost Optional Coverage, 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 e.(7) of this Additional Coverage, is not subject to such limitation.

II. Subparagraph **b. Personal Effects And Property Of Others** of Paragraph **5. Coverage Extensions** (Section **A. Coverage**) is deleted in its entirety and replaced with the following:

b. Personal Effects And Property Of Others

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

- (1) Personal effects owned by you, your officers, your partners or members, your managers or your employees.

(2) Personal property of others in your care, custody or control. This does not include personal property of others located on your premises of which you have not taken physical possession prior to a loss.

(a) \$2,500 for personal effects covered under **b.(1)** and

(b) \$25,000 for personal property of others covered under **b.(2)** 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.

III. Subparagraph **g.** is added to Paragraph **4. Additional Coverages** (Section **A. Coverage**) as follows:

g. Unscheduled Business Personal Property

We will pay for direct physical loss or damage to your unscheduled business personal property. The most we will pay under this Additional Coverage is \$25,000 in any one occurrence.

The amount payable under this Additional Coverage is in addition to the Limits of Insurance.

IV. Subparagraph **e. Outdoor Property** of Paragraph **5. Coverage Extensions** (Section **A. Coverage**) is deleted in its entirety and replaced with the following:

e. Outdoor Property

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.

The most we will pay for loss or damage under this Extension is \$50,000, but not more than \$1,000 for any one tree, shrub or plant, unless a higher limit is shown on the Declarations or by endorsement hereto. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

The value of outdoor property will be included with your business personal property values for calculation of the applicable windstorm or hail deductible. If the Declarations or the statement of values does not include any business personal property values, then the Outdoor Property sublimit will be considered the business personal property values for the application of all deductibles.

V. Subparagraph **h.** is added to Paragraph **5. Coverage Extensions** (Section **A. Coverages**) as follows:

h. Loss of Condominium Association Fees and Extra Expense

You may extend the insurance provided by this Coverage Form to apply to loss of "condominium association fees" sustained by you resulting directly from the necessary untenability of any unit, during the "period of restoration", caused by direct physical loss or damage to Covered Property by a Covered Cause of Loss. However, the loss of "condominium association fees" does not include "loss assessment charges".

You may extend the insurance provided by this Coverage Form to apply to “extra expense” you incur as a result of direct physical loss or damage to Covered Property by a Covered Cause of Loss.

As used in this Subparagraph **5.g.**, these terms are defined as follows:

- (1) “Condominium association fees” mean fees payable to you in accordance with the Condominium Association agreement between you and a unit owner, and in accordance with the terms of your association by-laws.
- (2) “Extra expense” means necessary expenses you incur during the “period of restoration” that you would not have incurred if there had been no direct physical loss or damage to property. Coverage pertains to expenses (other than the expense to repair or replace property) which are incurred to:
 - (a) continue “operations” at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location; or
 - (b) meet contractual obligations to any property manager.
- (3) “Loss assessment charges” mean assessments charged to all unit owners, by the Condominium Association, due to additional costs incurred by the association as a result of physical loss or damage to Covered Property.
- (4) “Period of restoration” means the period of time that:
 - (a) Begins on the date of direct physical loss or damage to Covered Property by a Covered Cause of Loss; and
 - (b) Ends on the date when Covered Property should be repaired, rebuilt or replaced with reasonable speed and similar quality;

The most we will pay under this Coverage Extension is \$50,000 in any one occurrence. The amount payable under this Coverage Extension is in addition to the Limits of Insurance.

VI. Subparagraph i. is added to Paragraph **5. Coverage Extensions** (Section **A. Coverages**) as follows:

i. Coverage for Loss to Portion of Undamaged Building

This Coverage Extension applies only to buildings to which the Replacement Cost Coverage applies.

In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay for the loss in value of the undamaged portion of the damaged building as a consequence of enforcement of an ordinance or law that requires demolition of undamaged parts of the same building.

VII. The following is added to subparagraph a. of Paragraph 4. Loss Payment (Section E. Loss Conditions):

Margin Clause:

The premium for this policy is based upon the Limits of Insurance shown in the Declarations or on the Statement of Values on file with us. In the event of covered loss hereunder, we will pay the actual adjusted amount of loss, less applicable deductible(s), but in no event more than the total stated value for all Covered Property including business interruption and related time element coverages plus 15% of such value, less applicable deductible(s).

In the event of any covered loss payable in excess of the Limits of Insurance shown in the Declarations under the first Paragraph above, we shall be due an additional premium for such excess amount. The additional premium shall be based upon the difference between the Limit of Insurance shown in the Declarations and the amount of loss payable under these Margin Clause provisions. The proportion of the additional premium to such difference shall be the same proportion as the total annual policy premium bears to the sum of all Limits of Insurance for premises shown in the Declarations, or by endorsement hereto. The additional premium due shall be earned from the inception of the policy, for the full term of the policy.

For purposes of this Margin Clause, the total stated value shall be the amount(s) corresponding to each location involved in the loss, shown as Limits of Insurance in the Declarations, or on the latest Statement of Values on file with us.

VIII. The following is added to Paragraph 4. Loss Payment (Section E. Loss Conditions)

Protection of Property

In the event of imminent loss or damage to Covered Property by a Covered Cause of Loss, your coverage is extended to cover the expenses you incur in taking reasonable steps to protect the Covered Property from damage. You must keep a record of your expenses incurred to protect the Covered Property. We will reimburse such incurred expenses.

As respects windstorm, imminent loss means the issuance of a Tropical Storm Warning, or Hurricane Warning, for your location.

We will not cover expenses incurred to protect against any Cause(s) of Loss excluded from coverage under this Policy.

The most we will pay for Protection of Property is \$5,000 in any one occurrence. A deductible of \$1,000 will apply to incurred expenses for Protection of Property.

IX. The following is added to subparagraph a. of Paragraph **7. Vacancy** (Section E. Loss Conditions):

- (3) Residential condominium buildings that are unoccupied for a period not to exceed 5 consecutive months are not considered vacant, provided that 51% of the condominium units are furnished to the extent that they can be utilized for normal occupancy.

The **CAUSES OF LOSS - SPECIAL FORM** is amended as follows:

I. Paragraph 4. is added to Section F. **Additional Coverage Extensions** as follows:

4. Sewer Back-Up

We will pay for direct physical loss or damage to Covered Property solely caused by water or other materials that back up, overflow, or discharge from a sewer or drain.

However, we will not pay for any loss or damage caused by water or other materials that back up, overflow, or discharge from a sewer or drain when such back up, overflow, or discharge is caused by any flood. As used in this Paragraph **4.Sewer Back-Up**, "flood" means accumulation of surface water, mudslide, mudflow, waves, tides, tidal waves and the rising, including overflowing or breaking of boundaries of any body of water, all whether wind driven or not.

The most we will pay for loss or damage by back up, overflow, or discharge from a sewer or drain is \$50,000 in any one occurrence. Payments under this Additional Coverage Extension will not increase the applicable Limit of Insurance shown in the Declarations.

II. Wind Driven Precipitation

Subparagraph **1.c.** of section **C. Limitations** is deleted in its entirety and replaced by the following:

- c.** The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
- (1)** The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
 - (2)** The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.

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

The most we will pay for loss or damage by wind driven precipitation in any one occurrence is \$ 1,000,000 unless a higher limit is shown on the Declarations or by endorsement hereto.

The policy deductible applicable to windstorm or hail will apply to all loss or damage caused by or resulting from wind driven precipitation.

All other terms and conditions of this Policy remain unchanged.

Endorsement Number:

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Policy Number: CH1EC-01181-0

Named Insured: Belle Isle Yacht Club Regime 4

Endorsement Effective Date: 05/31/2023

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MULTIPLE DEDUCTIBLE FORM

(FIXED DOLLAR DEDUCTIBLES)

This endorsement modifies insurance provided under the following:

- BUILDING AND PERSONAL PROPERTY COVERAGE FORM
- BUILDERS' RISK COVERAGE FORM
- CONDOMINIUM ASSOCIATION COVERAGE FORM
- CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
- STANDARD PROPERTY POLICY
- TOBACCO SALES WAREHOUSES COVERAGE FORM

SCHEDULE *

The Deductibles applicable to any one occurrence are shown below:

Prem. No.	Bldg. No.	Deductible	Covered Causes of Loss **
ALL	ALL	5%	Wind/Hail Deductible Per Occurrence
ALL	ALL	\$25,000	All Other Wind/Hail Deductible
ALL	ALL	2%	Earthquake Deductible

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

** For each deductible listed in this Schedule, enter the number corresponding to the Covered Cause(s) of Loss to which that deductible applies (or enter the description):

- (1) All Covered Causes of Loss
- (2) All Covered Causes of Loss **except** Windstorm or Hail
- (3) All Covered Causes of Loss **except** Theft
- (4) All Covered Causes of Loss **except** Windstorm or Hail and Theft
- (5) Windstorm or Hail
- (6) Theft

The following is added to the DEDUCTIBLE section:

- A.** In the event that loss or damage occurs to Covered Property at more than one building location as a result of one occurrence, the largest applicable deductible for that Covered Cause of Loss, shown in the Schedule above or in the Declarations, will apply.
- B.** The terms of this endorsement do not apply to any Earthquake Deductible or to any Windstorm or Hail Percentage Deductible provided elsewhere in this policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**WINDSTORM OR HAIL OR NAMED STORM DEDUCTIBLE ENDORSEMENT -
WITH ANNUAL AGGREGATE NAMED STORM DEDUCTIBLE**

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
BUSINESS INCOME (and EXTRA EXPENSE) COVERAGE FORM

SCHEDULE*

Prem. No.	Bldg. No.	PROPERTY COVERED, OR BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE	WINDSTORM OR HAIL DEDUCTIBLE * DEDUCTIBLE PERCENTAGE, OR * MONETARY (DOLLAR) DEDUCTIBLE, OR * "PERIOD OF RESTORATION" (HOURS)	MINIMUM PER OCCURRENCE DEDUCTIBLE
1	1	Building	\$25,000	
Prem. No.	Bldg. No.	PROPERTY COVERED, OR BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE	NAMED STORM DEDUCTIBLE *DEDUCTIBLE PERCENTAGE, OR *MONETARY (DOLLAR) DEDUCTIBLE, OR **"PERIOD OF RESTORATION" (HOURS)	
1	1	Building	5%	\$25,000

Annual Aggregate Named Storm Deductible: 237,919

* Information required to complete this schedule, if not shown on this endorsement, will be shown in the Declarations or by endorsement hereto.

Once the Annual Aggregate Named Storm Deductible is exhausted the Minimum Per Occurrence Deductible applicable to Windstorm or Hail shown in the Schedule will apply.

The Windstorm or Hail or Named Storm Deductible, as shown in the Schedule above, applies to loss or damage to Covered Property caused directly or indirectly by Windstorm or Hail or "Named Storm". This Deductible applies to each occurrence of Windstorm or Hail or "Named Storm".

The Windstorm or Hail or Named Storm Business Income (and Extra Expense)/"Period of Restoration" (hours) Deductible as shown in the Schedule, applies to the "Period of Restoration" for Business Income (and Extra Expense) coverage, if any, as specified in this endorsement.

With respect to Covered Property at a location identified in the Schedule, no other deductible, or "Period of Restoration", applies to Windstorm or Hail or "Named Storm".

The Windstorm or Hail or Named Storm Deductible, or Business Income (and Extra Expense) "Period of Restoration" (hours) Deductible, applies whenever there is an occurrence of Windstorm or Hail or "Named Storm".

If a windstorm is not declared to be a "Named Storm" and there is loss or damage by windstorm to Covered Property, the applicable deductible is the Windstorm or Hail deductible shown in the Schedule above for such loss or damage and not included within the calculation of the Annual Aggregate Named Storm Deductible.

DEFINITIONS:

Under the terms of this Endorsement, the following definitions are added to the policy:

"Named Storm" is a storm system that has been identified as a tropical storm or hurricane and assigned a name by the National Hurricane Center or the Central Pacific Hurricane Center of the National Weather Service (hereafter referred to as NHC and CPHC). Under the terms of this endorsement, a "Named Storm" begins at the time a Watch or Warning is issued by the NHC or CPHC for the area in which the affected premises are located, and ends 72 hours after the termination of the last Watch or Warning issued for that area by the NHC or CPHC.

As used in this endorsement, the terms "specific insurance" and "blanket insurance" have the following meanings: Specific insurance covers each item of insurance (for example, each building or personal property in a building) under a separate Limit of Insurance. Blanket insurance covers two or more items of insurance (for example, a building and personal property in that building, or two buildings) under a single Limit of Insurance. Items of insurance and corresponding Limit(s) of Insurance are shown in the Declarations.

WINDSTORM OR HAIL OR NAMED STORM DEDUCTIBLE CLAUSE

A. Calculation of the Deductible - All Policies

1. A Deductible is calculated separately for, and applies separately to:
 - a. Each building that sustains loss or damage;
 - b. The personal property at each building at which there is loss or damage to personal property; and
 - c. Personal property in the open.

If there is damage to both a building and personal property in that building, one deductible will apply to the building and to the personal property.

2. We will not pay for loss or damage until the amount of loss or damage exceeds the applicable Deductible(s) shown in the Schedule. We will then pay the amount of loss or damage in excess of that (those) Deductible(s), up to the applicable Limit of Insurance, after

any reduction required by any of the following: Coinsurance Condition, or Agreed Value Optional Coverage.

3. When property is covered under the Coverage Extension for Newly Acquired or Constructed Property: In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to:
 - a. a percentage of the value(s) of the property at time of loss or damage, if a Deductible percentage is shown in the Schedule. The applicable percentage for Newly Acquired or Constructed Property is the highest percentage shown in the Schedule for any described premises; or
 - b. the highest monetary (dollar) Deductible shown in the schedule; or
 - c. if both Deductible percentage and monetary (dollar) Deductible amounts are shown in the Schedule, then the applicable Deductible will be the greater of the deductibles determined by **a.** and **b.** above.

B. Calculation of the Percentage Deductible - Specific Insurance

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to the percentage as shown in the Schedule, of the Limit(s) of Insurance applicable to the property that has sustained loss or damage.

C. Calculation of the Percentage Deductible - Blanket Insurance

In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to the percentage as shown in the Schedule, of the value(s) of the property that has sustained loss or damage. The value(s) to be used are those shown in the most recent Statement of Values on file with us.

D. Minimum Per Occurrence Deductible

In any one occurrence of loss or damage, the minimum amount that will be deducted from all loss or damage, regardless of the number of locations, or number of buildings, involved in the loss or damage, is the Minimum Per Occurrence Deductible shown in the Schedule.

WINDSTORM OR HAIL OR NAMED STORM BUSINESS INCOME (AND EXTRA EXPENSE) "PERIOD OF RESTORATION" (HOURS) DEDUCTIBLE CLAUSE

In the event of loss or damage to Covered Property by an occurrence of Windstorm or Hail or "Named Storm", as covered by this endorsement, the Business Income (and Extra Expense) "Period of Restoration" (Hours) Deductible is amended as follows:

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

- a. Begins:
 - (1) the number of hours as shown in the Schedule after the 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:

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

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

ANNUAL AGGREGATE NAMED STORM DEDUCTIBLE

When this deductible applies to more than one “Named Storm” event, the following conditions apply:

- a.** If the full amount of the Annual Aggregate Hurricane Deductible is deducted from the amount of loss or damage as the result of a “Named Storm” event, the Minimum Per Occurrence deductible applicable to Windstorm or Hail as shown in the Schedule shall apply to all future “Named Storm” events covered by this policy;
- b.** If the amount of loss or damage from the “Named Storm” event does not exceed the Annual Aggregate Named Storm Deductible, you shall report such loss or damage to us, provide us with documentation substantiating such loss or damage, and we will document the amount of loss or damage incurred from such event;
- c.**
 - (1)** If a subsequent covered “Named Storm” event occurs, we shall deduct from the amount of loss or damage the greater amount of:
 - (a)** The Annual Aggregate Named Storm Deductible less the amount documented in Paragraph **b.** above; or
 - (b)** The Minimum Per Occurrence deductible applicable to Windstorm or Hail as stated in the Schedule.
 - (2)** If the amount of loss or damage is greater than the Named Storm deductible amount as determined in Subparagraph **c.(1)** above, we shall pay the difference to you, and the Minimum Per Occurrence Deductible shown in the schedule above shall apply to all subsequent “Named Storm” events.
 - (3)** If the amount of loss or damage is less than the Named Storm deductible amount as determined in Subparagraph **c.(1)** above, you shall document the amount of such loss, as per Paragraph **b.** above, and the provisions of this Paragraph **c.** shall apply to any subsequent “Named Storm” event.

Nothing in this endorsement implies or affords coverage for any loss or damage that is excluded under the terms of the Water Exclusion or any other exclusion in this policy. If this policy is endorsed to cover Flood under the Flood Coverage Endorsement (or if you have a flood insurance policy), a separate Flood Deductible applies to loss or damage attributable to Flood, in accordance with the terms of that endorsement or policy.

All other terms and conditions of this Policy remain unchanged.

Endorsement Number:

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Policy Number: CH1EC-01181-0

Named Insured: Belle Isle Yacht Club Regime 4

Endorsement Effective Date: 05/31/2023

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WIND DRIVEN PRECIPITATION ENDORSEMENT

This endorsement modifies insurance provided under the following:

CAUSES OF LOSS - SPECIAL FORM

Wind Driven Precipitation Limit of Insurance: \$ 1,000,000

Subparagraph **1.c.** of section **C. Limitations** is deleted in its entirety and replaced by the following:

- c.** The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
- (1)** The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
 - (2)** The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.

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

The most we will pay for loss or damage by wind driven precipitation in any one occurrence is the Wind Driven Precipitation Limit of Insurance shown above.

The policy deductible applicable to windstorm or hail will apply to all loss or damage caused by or resulting from wind driven precipitation.

All other terms and conditions of this Policy remain unchanged.

Endorsement Number:

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Policy Number: CH1EC-01181-0

Named Insured: Belle Isle Yacht Club Regime 4

Endorsement Effective Date: 05/31/2023

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ROOF SURFACING VALUATION LIMITATION ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
DIFFERENCE IN CONDITIONS COVERAGE FORM
BUILDERS RISK COVERAGE FORM
OTHER APPLICABLE INLAND MARINE COVERAGE FORMS

It is agreed that:

- A.** With respect to loss or damage by a Covered Cause of Loss (including wind and hail if covered) to any covered building or structure described in this policy, Replacement Cost Coverage (if otherwise applicable to such property) does not apply to "roof surfacing" if the roof is determined to be over 15 years old. Instead, we will determine the value of "roof surfacing" at actual cash value as of the time of loss or damage.
- B.** For the purpose of this endorsement, "roof surfacing" means roofs, roof coatings, roof canopies, the shingles, tiles, cladding, metal or synthetic sheeting, sheathing, decking or similar materials or components covering the roof or used in conjunction with a roof's construction or re-covering and includes, but is not limited to, any material used in securing the roof surface and any material applied to or under the roof surface for moisture protection, membrane or insulation, as well as roof flashing.

All other terms and conditions of this Policy remain unchanged.

Endorsement Number:

Policy Number: CH1EC-01181-0

Named Insured: Belle Isle Yacht Club Regime 4

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

Endorsement Effective Date: 05/31/2023

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMOUNT OF INSURANCE SCHEDULE ENDORSEMENT

This endorsement modifies insurance provided by:

PROPERTY COVERAGE PART

The Coverages Provided and Amount of Insurance shown on the Declarations are amended as indicated in the Schedule.

I. If one or more of the Coverages Provided listed under:

A. "As Per Schedule On File With Company" is indicated in the Schedule below, our liability regarding such indicated Coverage Provided shall be limited to the lesser of the following:

- 1.** The actual adjusted amount of loss, less the applicable deductible(s); or
- 2.** The total stated value for the property involved, as shown on the latest Statement of Values on file with us, less the applicable deductible(s).

B. "Blanket Per Premises" is indicated in the Schedule below:

Regardless of the number of buildings located at each premises, the Limit(s) of Insurance as shown on the Declarations for any building on that Premises is deleted and replaced with the Limit(s) of Insurance shown on the "Blanket Limits Per Premises Schedule" as the Building and/or Business Personal Property Limit of Insurance and/or the Blanket Business Income Limit of Insurance, which apply to all of the buildings located at such premises. If an Other Coverage is described in the Schedule, the Limit(s) of Insurance shown on the Declarations for that Other Coverage for any building on that premises is deleted and replaced with the Blanket Other Coverage Limit.

The premises numbers which apply to the buildings(s) are shown on the Declarations.

C. "Blanket" is indicated in the Schedule, the Blanket Amount of Insurance shown on the Declarations will apply as respects each indicated Coverage Provided.

II. For all Coverages Provided and Amount of Insurance options:

The coinsurance percentage shown on the Declarations for a building and/or Business Personal Property, will apply to the Blanket Building and/or Business Personal Property Limit of Insurance shown in the Schedule for the premises where such building is located, except when Agreed Value is shown. The coinsurance percentage shown on the Declarations for business income, will apply to the Blanket Business Income Limit of Insurance shown in the Schedule for the premises where such building is located, except when Agreed Value is shown, or if the Optional Coverage, Maximum Period of Indemnity is provided. If applicable, the Coinsurance percentage shown on the Declarations for an Other Coverage that is described on the Schedule below, will apply to the Blanket Other Coverage Limit of Insurance shown in the Schedule for the premises where such building is located.

The Causes of Loss, Deductible, and Optional Coverages apply to each building as stated on the Declarations, by an endorsement attached to the policy or a separate statement of value document on file with the Company.

COVERAGES PROVIDED AND AMOUNT OF INSURANCE SCHEDULE

Coverages Provided	As Per Schedule On File With Company	Blanket Per Premises	Blanket	Total policy limit *
				\$ when no value is displayed, refer to statement of value document, or per premises schedule
Building	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$ 4,758,374
Business Personal Property	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$
Business Income and Extra Expense	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$
Other Structures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$
Other Structures incl x-Wind	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$
Other Coverage (describe):	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$
Other Coverage (describe):	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$
Other Coverage (describe):	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$
Other Coverage (describe):	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$
Other Coverage (describe):	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$
Other Coverage (describe):	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$
Other Coverage (describe):	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	\$

* If as per schedule on file with Company is indicated above, our liability, shall be limited as per paragraph I. above.

BLANKET LIMITS PER PREMISES SCHEDULE*

(if Blanket Per Premises is indicated on the Amount of Insurance endorsement)

Premises No. #	Blanket Building and/or Business Personal Property Limit of Insurance	Blanket Business Income Limit of Insurance	Blanket Other Coverage Limit of Insurance
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$

* Information required to complete this schedule, if not shown on this endorsement, will be shown in the Declarations, by endorsement, or separate statement of value document hereto.

Also the terms of Subparagraph **I.B.** of the Amount of Insurance Schedule endorsement shall apply as respects any scheduled premises, coverages and limits of insurance.

All other terms and conditions of this Policy remain unchanged.

Endorsement Number:

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Policy Number: CH1EC-01181-0

Named Insured: Belle Isle Yacht Club Regime 4

Endorsement Effective Date: 05/31/2023

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ORDINANCE OR LAW COVERAGE

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
STANDARD PROPERTY POLICY

SCHEDULE

Building Number/ Premises Number	Coverage A	Coverage B Limit Of Insurance	Coverage C Limit Of Insurance	Coverages B And C Combined Limit Of Insurance
ALL / ALL	<input checked="" type="checkbox"/>	\$	\$	\$ 1,000,000 *
/	<input type="checkbox"/>	\$	\$	\$ *
/	<input type="checkbox"/>	\$	\$	\$ *
Post-Loss Ordinance Or Law Option: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>				
*Do not enter a Combined Limit of Insurance if individual Limits of Insurance are selected for Coverages B and C , or if one of these Coverages is not applicable.				
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.				

A. Each Coverage - Coverage **A**, Coverage **B** and Coverage **C** - is provided under this endorsement only if that Coverage(s) is chosen by entry in the above Schedule and then only with respect to the building identified for that Coverage(s) in the Schedule.

B. Application Of Coverage(s)

The Coverage(s) provided by this endorsement applies with respect to an ordinance or law that regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises, subject to the following:

1. The requirements of the ordinance or law are in force at the time of loss. But if the Post-Loss Ordinance Or Law Option is indicated in the Schedule as being applicable, then Paragraph **B.2.** applies instead of this Paragraph **B.1.**

2. The requirements of the ordinance or law are in force at the time of loss; or the ordinance or law is promulgated or revised after the loss but prior to commencement of reconstruction or repair and provided that such ordinance or law requires compliance as a condition precedent to obtaining a building permit or certificate of occupancy.
3. Coverage under this endorsement applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this endorsement.

4. Coverage under this endorsement applies only if:

- a. The building sustains only direct physical damage that is covered under this policy and as a result of such damage, you are required to comply with the ordinance or law; or
- b. The building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and as a result of the building damage in its entirety, you are required to comply with the ordinance or law.

However, there is no coverage under this endorsement if the building sustains direct physical damage that is not covered under this policy, and such damage is the subject of the ordinance or law, even if the building has also sustained covered direct physical damage.

5. If coverage applies under this endorsement based on the terms of Paragraph **B.4.b.**, we will not pay the full amount of loss otherwise payable under the terms of Coverages **A**, **B**, and/or **C** of this endorsement. Instead, we will pay a proportion of such loss, meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

(Paragraph **F** of this endorsement provides an example of this procedure.)

However, if the covered direct physical damage, alone, would have resulted in a requirement to comply with the ordinance or law, then we will pay the full amount of loss otherwise payable under the terms of Coverages **A**, **B** and/or **C** of this endorsement. 6.

We will not pay under this endorsement for:

- a. Enforcement of or compliance with any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria; or
- b. The costs associated with the enforcement of or compliance with any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria.

7. We will not pay under this endorsement for any loss in value or any cost incurred due to an ordinance or law that you were required to comply with before the time of the current loss, even in the absence of building damage, if you failed to comply.

C. Coverage

1. Coverage A - Coverage For Loss To The Undamaged Portion Of The Building

With respect to the building that has sustained covered direct physical damage, we will pay under Coverage **A** for the loss in value of the undamaged portion of the building as a consequence of a requirement to comply with an ordinance or law that requires demolition of undamaged parts of the same building.

Coverage **A** is included within the Limit Of Insurance applicable to such building as shown in the Declarations or addressed elsewhere in this policy. Coverage **A** does not increase the Limit of Insurance.

2. Coverage B - Demolition Cost Coverage

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

The Coinsurance Additional Condition does not apply to Demolition Cost Coverage.

3. Coverage C - Increased Cost Of Construction Coverage

a. With respect to the building that has sustained covered direct physical damage, we will pay the increased cost to:

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

when the increased cost is a consequence of a requirement to comply with the minimum standards of the ordinance or law.

However:

- (1) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.

- (2) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled.

The Coinsurance Additional Condition does not apply to Increased Cost of Construction Coverage.

- b. When a building is damaged or destroyed and Coverage C applies to that building in accordance with Paragraph C.3.a. above, coverage for the increased cost of construction also applies to repair or reconstruction of the following, subject to the same conditions stated in Paragraph C.3.a.:

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

The items listed in b.(1) through b.(4) above are deleted from Property Not Covered, but only with respect to the coverage described in this provision, 3.b.

D. Loss Payment

- 1. All following loss payment provisions, D.2. through D.5., are subject to the apportionment procedures set forth in Paragraph B.5. of this endorsement.
- 2. When there is a loss in value of an undamaged portion of a building to which Coverage A applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:
 - a. If the Replacement Cost Coverage Option applies and such building is being repaired or replaced, on the same or another premises, we will not pay more than the lesser of:
 - (1) The amount you would actually spend to repair, rebuild or reconstruct such building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or

- (2) The Limit Of Insurance applicable to such building as shown in the Declarations or addressed elsewhere in this policy. (If this policy is endorsed to cover Earthquake and/or Flood as a Covered Cause of Loss, the Limit of Insurance applicable to the building in the event of damage by such Covered Cause of Loss may be lower than the Limit of Insurance that otherwise would apply.)

- b. If the Replacement Cost Coverage Option applies and such building is **not** repaired or replaced, or if the Replacement Cost Coverage Option does **not** apply, we will not pay more than the lesser of:

- (1) The actual cash value of such building at the time of loss; or
- (2) The Limit Of Insurance applicable to such building as shown in the Declarations or addressed elsewhere in this policy. (If this policy is endorsed to cover Earthquake and/or Flood as a Covered Cause of Loss, the Limit of Insurance applicable to the building in the event of damage by such Covered Cause of Loss may be lower than the Limit of Insurance that otherwise would apply.)

- 3. Unless Paragraph D.5. applies, loss payment under Coverage B - Demolition Cost Coverage will be determined as follows:

We will not pay more than the lesser of the following:

- a. The amount you actually spend to demolish and clear the site of the described premises; or
- b. The applicable Limit Of Insurance shown for Coverage B in the Schedule.

4. Unless Paragraph **D.5.** applies, loss payment under Coverage **C** - Increased Cost Of Construction Coverage will be determined as follows:

a. We will not pay under Coverage **C**:

- (1) Until the building is actually repaired or replaced, at the same or another premises; and
- (2) Unless the repair or replacement is 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 under Coverage **C** is the lesser of:

- (1) The increased cost of construction at the same premises; or
- (2) The applicable Limit Of Insurance shown for Coverage **C** in the Schedule.

c. If the ordinance or law requires relocation to another premises, the most we will pay under Coverage **C** is the lesser of:

- (1) The increased cost of construction at the new premises; or
- (2) The applicable Limit Of Insurance shown for Coverage **C** in the Schedule.

5. If a Combined Limit Of Insurance is shown for Coverages **B** and **C** in the Schedule, Paragraphs **D.3.** and **D.4.** do not apply with respect to the building that is subject to the Combined Limit, and the following loss payment provisions apply instead:

The most we will pay, for the total of all covered losses for Demolition Cost and Increased Cost of Construction, is the Combined Limit Of Insurance shown for Coverages **B** and **C** in the Schedule. Subject to this Combined Limit of Insurance, the following loss payment provisions apply:

a. For Demolition Cost, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.

b. With respect to the Increased Cost of Construction:

- (1) We will not pay for the increased cost of construction:
 - (a) Until the building is actually repaired or replaced, at the same or another premises; and

- (b) Unless the repair or replacement is 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.

- (2) 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.

- (3) 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.

E. The terms of this endorsement apply separately to each building to which this endorsement applies.

F. Example of proportionate loss payment for Ordinance Or Law Coverage Losses (procedure as set forth in Paragraph **B.5.**).

Assume:

- Wind is a Covered Cause of Loss; Flood is an excluded Cause of Loss
- The building has a value of \$200,000
- Total direct physical damage to building: \$100,000
- The ordinance or law in this jurisdiction is enforced when building damage equals or exceeds 50% of the building's value
- Portion of direct physical damage that is covered (caused by wind): \$30,000
- Portion of direct physical damage that is not covered (caused by flood): \$70,000
- Loss under Ordinance Or Law Coverage **C** of this endorsement: \$60,000

Step 1: Determine the proportion that the covered direct physical damage bears to the total direct physical damage.

$$\$30,000 \div \$100,000 = .30$$

Step 2: Apply that proportion to the Ordinance or Law loss.

$$\$60,000 \times .30 = \$18,000$$

In this example, the most we will pay under this endorsement for the Coverage **C** loss is \$18,000, subject to the applicable Limit of Insurance and any other applicable provisions.

Note: The same procedure applies to losses under Coverages **A** and **B** of this endorsement.

G. The following definition is added:

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ARBITRATION ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE PART
CONDOMINIUM ASSOCIATION COVERAGE PART

- A. The **Appraisal** Loss Condition is deleted in its entirety.
- B. The following is added to the **Loss Conditions**:

Arbitration

All matters in difference between you and us (hereinafter referred to as “the parties”) in relation to this insurance, including its formation and validity, or the value of the property or the amount of loss, and whether arising during or after the policy period of this insurance, shall be referred to an Arbitration Tribunal in the manner described below.

Unless the parties agree upon a single Arbitrator within thirty days of one party receiving a written request from the other party for Arbitration, the Claimant (the party requesting Arbitration) shall appoint its Arbitrator and give written notice thereof to the Respondent. Within thirty days of receiving such notice, the Respondent (the party not requesting Arbitration) shall appoint its Arbitrator and give written notice thereof to the Claimant, failing which the Claimant may nominate an Arbitrator on behalf of the Respondent.

If the Arbitrators cannot agree to an Umpire, both parties must request that selection be made by a judge of the New York Supreme Court, New York County, New York.

Unless the parties otherwise agree, the Arbitration Tribunal shall consist of persons employed or engaged in a senior position in insurance underwriting or claims.

The Arbitration Tribunal shall have power to fix all procedural rules for the holding of the Arbitration, including discretionary power to make orders as to any matters which it may consider proper in the circumstances of the case with regard to pleadings, discovery, inspection of documents, examination of witnesses or any other matter whatsoever relating to the conduct of the Arbitration and may receive and act upon such evidence whether oral or written strictly admissible or not as it shall in its discretion deem fit.

Each party will pay its chosen Arbitrator, and also bear the other expenses of the Arbitration and Umpire equally.

The Arbitration shall take place in New York, New York and the Arbitration Tribunal shall apply the law of the State of New York.

The Arbitration Tribunal may not award exemplary, punitive, multiple or other damages of a similar nature.

A decision agreed to by any two members of the Arbitration Tribunal shall be binding. The award of the Arbitration Tribunal shall be in writing and binding upon the parties who covenant to carry out the same. If either of the parties should fail to carry out any award, the other may apply for its enforcement to a court of competent jurisdiction in any territory in which the party in default is domiciled or has assets or conducts business.

All other terms and conditions of this Policy remain unchanged.

Endorsement Number:

This endorsement is effective on the inception date of this Policy unless otherwise stated herein:

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Policy Number: CH1EC-01181-0

Named Insured: Belle Isle Yacht Club Regime 4

Endorsement Effective Date: 05/31/2023

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CYBER INCIDENT EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY

A. The following exclusion is added to Paragraph B. Exclusions:

We will not pay for loss or damage caused directly or indirectly by 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.

Cyber Incident

1. Unauthorized access to or use of any computer system (including electronic data).
2. Malicious code, virus or any other harmful code that is directed at, enacted upon or introduced into any computer system (including electronic data) and is designed to access, alter, corrupt, damage, delete, destroy, disrupt, encrypt, exploit, use or prevent or restrict access to or the use of any part of any computer system (including electronic data) or otherwise disrupt its normal functioning or operation.
3. Denial of service attack which disrupts, prevents or restricts access to or use of any computer system, or otherwise disrupts its normal functioning or operation.

B. Exceptions And Limitations

1. Fire Or Explosion

If a cyber incident as described in Paragraphs **A.1.** through **A.3.** of this exclusion results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

2. Additional Coverage

The exclusion in Paragraph **A.** does not apply to the extent that coverage is provided in the:

- a. Additional Coverage – Electronic Data; or
- b. Additional Coverage – Interruption Of Computer Operations.

3. Electronic Commerce Endorsement

The exclusion in Paragraph **A.** does not apply to the Electronic Commerce (E-Commerce) endorsement when attached to your policy.

C. Vandalism

The following is added to Vandalism, if Vandalism coverage is not otherwise excluded under the Standard Property Policy or the Causes Of Loss – Basic, Broad or Special Forms and if applicable to the premises described in the Declarations:

Vandalism does not include a cyber incident as described in Paragraph **A.**