

ENVIRONMENTAL SERVICES BUSINESSOWNERS COVERAGE FORM

VARIOUS PROVISIONS IN THIS POLICY RESTRICT COVERAGE. READ THE ENTIRE POLICY CAREFULLY TO DETERMINE RIGHTS, DUTIES, AND WHAT IS AND IS NOT COVERED.

NOTICE FOR PART I – PROPERTY

THROUGHOUT THIS COVERAGE FORM, THE WORDS “YOU” AND “YOUR” REFER TO THE NAMED INSURED SHOWN 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 PARAGRAPH G. PROPERTY DEFINITIONS IN PART I – PROPERTY AND SECTION VI – LIABILITY DEFINITIONS UNDER PART II – LIABILITY.

NOTICE FOR PART II - LIABILITY

THROUGHOUT THIS COVERAGE FORM, THE WORDS “YOU” AND “YOUR” REFER TO THE NAMED INSURED SHOWN THE DECLARATIONS. THE WORDS “WE”, “US” AND “OUR” REFER TO THE COMPANY PROVIDING THIS INSURANCE.

IN PART II – LIABILITY, THE WORD “INSURED” MEANS ANY PERSON OR ORGANIZATION QUALIFYING AS SUCH UNDER SECTION II - WHO IS AN INSURED.

OTHER WORDS AND PHRASES THAT APPEAR IN QUOTATION MARKS HAVE SPECIAL MEANING. REFER TO PARAGRAPH G. PROPERTY DEFINITIONS IN PARAGRAPH G., PART I – PROPERTY AND SECTION VI – LIABILITY DEFINITIONS UNDER PART II – LIABILITY.

WHEN INDICATED IN THE DECLARATIONS AS BEING INCLUDED BY SHOWING A LIMIT OF LIABILITY AND PREMIUM, CONSULTANTS’ PROFESSIONAL LIABILITY (COVERAGE D) AND NON-OWNED DISPOSAL SITE POLLUTION LIABILITY (COVERAGE E) PROVIDE CLAIMS-MADE AND REPORTED COVERAGE.

THESE COVERAGES IF PROVIDED HAVE A COVERAGE TRIGGER AND REPORTING REQUIREMENTS, INCLUDING CLAIMS DEFENSE EXPENSES WITHIN THE LIMITS OF LIABILITY, THAT DIFFER FROM THE OCCURRENCE COMMERCIAL GENERAL LIABILITY (COVERAGES A) AND OCCURRENCE CONTRACTORS’ POLLUTION LIABILITY COVERAGE SECTIONS (COVERAGE C).

IT IS HIGHLY RECOMMENDED THAT YOU CONSULT WITH YOUR AGENT AND ATTORNEY TO UNDERSTAND ANY COVERAGE DIFFERENCES.

PART I – PROPERTY

A. Coverage

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

1. Covered Property

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

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

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

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

- (1) Property you own that is used in your business;

(2) Property of others that is in your care, custody or control, except as otherwise provided in Loss Payment Property Loss Condition Paragraph **E.5.d.(3)(b)**;

(3) Tenant's improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:

- (a) Made a part of the building or structure you occupy but do not own; and
- (b) You acquired or made at your expense but cannot legally remove;

(4) Leased personal property which you have a contractual responsibility to insure, unless otherwise provided for under Paragraph **A.1.b.(2)**; and

(5) Exterior building glass, if you are a tenant and no Limit Of Insurance is shown in the Declarations for Building property. The glass must be owned by you and in your care, custody or control.

2. Property Not Covered

Covered Property does not include:

- a.** Aircraft, unmanned aerial vehicle(s), automobiles, motortrucks and other vehicles subject to motor vehicle registration;
- b.** "Money" or "securities" except as provided in the:
 - (1) Money and Securities Additional Coverage; or
 - (2) Employee Dishonesty Additional Coverage;
- c.** Contraband, or property in the course of illegal transportation or trade;
- d.** Land (including land on which the property is located), water, growing crops or lawns (other than lawns which are part of a vegetated roof) except as provided in the Pollution Clean Up and Removal Additional Coverage;
- e.** Outdoor fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, signs (other than signs attached to buildings), trees, shrubs or plants (other than trees, shrubs or plants which are part of a vegetated roof), all except as provided in the:
 - (1) Outdoor Property Coverage Extension; or
 - (2) Outdoor Signs Additional Coverage;
- f.** Watercraft (including motors, equipment and accessories) while afloat;
- g.** Accounts, bills, food stamps, other evidences of debt, accounts receivable or "valuable papers

and records"; except as otherwise provided in this policy;

- h. "Computer(s)" which are permanently installed or designed to be permanently installed in any aircraft, unmanned aircraft, watercraft, motortruck or other vehicle subject to motor vehicle registration. This paragraph does not apply to "computer(s)" while held as "stock";
- i. "Electronic data", except as provided under Additional Coverages – Electronic Data. This Paragraph i. does not apply to your "stock" of prepackaged software or to "electronic data" which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system; or
- j. Bridges, roadways, walks, patios or other paved surfaces;
- k. The cost of excavations, grading, backfilling or filling;
- l. 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;
- m. Personal property while airborne or waterborne;
- n. Bulkheads, pilings, piers, wharves or docks;
- o. Retaining walls that are not part of a building;
- p. Underground pipes, flues or drains.

3. Covered Causes Of Loss

Direct physical loss unless the loss is excluded or limited under Part I – Property.

4. Limitations

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

the Additional Coverage for Money and Securities.

- (4) Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
- (5) The interior of any building or structure, or 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:
 - (a) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
 - (b) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.
- (6) Lawns, trees, shrubs or plants which are part of a vegetated roof, caused by or resulting from:
 - (a) Dampness or dryness of atmosphere or of soil supporting the vegetation; or
 - (b) Changes in or extremes of temperature; or
 - (c) Disease; or
 - (d) Frost or hail; or
 - (e) Rain, snow, ice or sleet.
- b. We will not pay for loss of or damage to fragile articles such as glassware, statuary, marble, chinaware and porcelain, if broken, unless caused by the "specified causes of loss" or building glass breakage.

This restriction does not apply to:

 - (1) Glass that is part of the exterior or interior of a building or structure;
 - (2) Containers of property held for sale; or
 - (3) Photographic or scientific instrument lenses.
- c. For loss or damage by theft, the following types of property are covered only up to the limits shown:
 - (1) \$2,500 for furs, fur garments and garments trimmed with fur.
 - (2) \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and 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.
 - (3) \$2,500 for patterns, dies, molds and forms.

5. Additional Coverages

a. Debris Removal

- (1) Subject to Paragraphs **A.5.a.(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 debris of property owned by or leased to the landlord of the building where your described premises are located, unless you have a contractual responsibility to insure such property and it is insured under this policy;
 - (c) Remove any property that is Property Not Covered, including property addressed under the Outdoor Property Coverage Extension;
 - (d) Remove property of others of a type that would not be Covered Property under this policy;
 - (e) Remove deposits of mud or earth from the grounds of the described premises;
 - (f) Extract "pollutants" from land or water; or
 - (g) Remove, restore or replace polluted land or water.
- (3) Subject to the exceptions in Paragraph **A.5.a.(4)**, the following provisions apply:
 - (a) The most that we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.
 - (b) Subject to Paragraph **(3)(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 \$50,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:

- (a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
- (b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if Paragraphs **(4)(a)** and/or **(4)(b)** above apply, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$50,000.

(5) Examples

Example 1

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

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

Example 2

Limit of Insurance	\$ 90,000
Amount of Deductible	\$ 500
Amount of Loss	\$ 80,000
Amount of Loss Payable	\$ 79,500
	(\$80,000 – \$500)
Debris Removal Expense	\$ 65,000
Debris Removal Expense Payable	
Basic Amount	\$ 10,500
Additional Amount	\$ 50,000

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 (\$65,000) exceeds 25% of the loss payable plus the deductible (\$65,000 is 81% of \$80,000), and because the sum of the loss payable and debris removal expense (\$79,500 + \$65,000 = \$144,500) would exceed the Limit of Insurance (\$90,000). The additional amount of covered debris removal expense is \$50,000, the maximum payable under Paragraph (4). Thus, the total payable for debris removal expense in this example is \$60,500; \$4,500 of the debris removal expense is not covered.

b. Preservation Of Property

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

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

c. Glass Expenses

- (1) We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.
- (2) We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a

building. This does not include removing or replacing window displays.

d. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, the most we will pay is the Limit of Insurance for Fire Department Service Charge 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.

e. Collapse

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

- (1) For the purpose of this Additional Coverage – Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.
- (2) We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this policy or that contains Covered Property insured under this policy, if such collapse is caused by one or more of the following:
 - (a) Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
 - (b) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
 - (c) Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation.
 - (d) Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:
 - (i) A cause of loss listed in Paragraph (2)(a) or (2)(b) above;

- (ii) One or more of the "specified causes of loss";
 - (iii) Breakage of building glass;
 - (iv) Weight of people or personal property; or
 - (v) Weight of rain that collects on a roof.
- (3) Additional Coverage – Collapse does **not** apply to:
- (a) A building or any part of a building that is in danger of falling down or caving in;
 - (b) A part of a building that is standing, even if it has separated from another part of the building; or
 - (c) A building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
- (4) With respect to the following property:
- (a) Awnings;
 - (b) Gutters and downspouts;
 - (c) Yard fixtures;
 - (d) Outdoor swimming pools;
 - (e) Piers, wharves and docks;
 - (f) Beach or diving platforms or appurtenances;
 - (g) Retaining walls; and
 - (h) Walks, roadways and other paved surfaces;
- if an abrupt collapse is caused by a cause of loss listed in Paragraphs (2)(a) through (2)(d), above, we will pay for loss or damage to that property only if such loss or damage is a direct result of the abrupt collapse of a building insured under this policy and the property is Covered Property under this policy.
- (5) If personal property abruptly falls down or caves in and such collapse is **not** the result of abrupt collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:
- (a) The collapse of personal property was caused by a cause of loss listed in Paragraphs (2)(a) through (2)(d), above, of this Additional Coverage;
 - (b) The personal property which collapses is inside a building; and
 - (c) The property which collapses is not of a kind listed in Paragraph (4), above, regardless of whether that kind of

property is considered to be personal property or real property.

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

- (6) This Additional Coverage – Collapse does not apply to personal property that has not abruptly fallen down or caved in, even if the personal property shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
 - (7) This Additional Coverage – Collapse will not increase the Limits of Insurance provided in this policy.
 - (8) The term Covered Cause of Loss includes the Additional Coverage – Collapse as described and limited in Paragraphs e. (1) through e. (7), above.
- f. 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 occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes.
- We will not pay the cost to repair any defect that caused the loss or damage, but we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage:
- (1) Results in discharge of any substance from an automatic fire protection system; or
 - (2) Is directly caused by freezing.
- g. Business Income, Extended Business Income and Extra Expense**
- The most we will pay for any loss or damage in any one occurrence for Business Income, Extra Expense, and Extended Business Income is the Limit of Insurance for Business Income, Extra Expense, and Extended Business Income shown in the Declarations.
- (1) Business Income**
- (a) We will pay for the actual loss of Business Income you sustain due to the necessary suspension of your "operations" during the "period of restoration".
- The suspension must be caused by direct physical loss of or damage to Covered Property at the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of

or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of such premises.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of a building, your premises mean:

- (i) The portion of the building which you rent, lease or occupy;
 - (ii) The area within 100 feet of the building or within 100 feet of the premises described in the Declarations, whichever distance is greater (with respect to loss of or damage to personal property in the open or personal property in a vehicle); and
 - (iii) Any area within the building or at the described premises, if that area services, or is used to gain access to, the portion of the building which you rent, lease or occupy.
- (b) We will only pay for loss of Business Income that you sustain during the "period of restoration" and that occurs within 12 consecutive months after the date of direct physical loss or damage. We will only pay for ordinary payroll expenses for 60 days following the date of direct physical loss or damage, unless a greater number of days is shown in the Declarations.
- (c) Business Income means the:
- (i) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses; and
 - (ii) Continuing normal operating expenses incurred, including payroll.
- (d) Ordinary payroll expenses:
- (i) Means payroll expenses for all your employees except:
 - i. Officers;
 - ii. Executives;
 - iii. Department Managers;

- iv. Employees under contract; and
- v. Additional Exemptions shown in the Declarations as:
 - Job Classifications; or
 - Employees.

(ii) Include:

- i. Payroll;
- ii. Employee benefits, if directly related to payroll;
- iii. FICA payments you pay;
- iv. Union dues you pay; and
- v. Workers' compensation premiums.

(2) Extended Business Income

- (a) If the necessary suspension of your "operations" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you incur during the period that:
- (i) Begins on the date property except finished stock is actually repaired, rebuilt or replaced and "operations" are resumed; and
 - (ii) Ends on the earlier of:
 - i. The date you could restore your "operations", with reasonable speed, to the level which would generate the Business Income amount that would have existed if no direct physical loss or damage had occurred; or
 - ii. 60 consecutive days after the date determined in Paragraph (a) (i) above, unless a greater number of consecutive days is shown in the Declarations.

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

- (b) Loss of Business Income must be caused by direct physical loss or damage to Covered Property at the described premises caused by or resulting from any Covered Cause of Loss.

(c) With respect to the coverage provided in this Additional Coverage, suspension means:

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

(3) Extra Expense

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

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of a building, your premises mean:

- (i) The portion of the building which you rent, lease or occupy;
- (ii) The area within 100 feet of the building or within 100 feet of the premises described in the Declarations, whichever distance is greater (with respect to loss of or damage to personal property in the open or personal property in a vehicle); and
- (iii) Any area within the building or at the described premises, if that area services, or is used to gain access to, the portion of the building which you rent, lease or occupy.

(b) Extra Expense means expense incurred:

- (i) To avoid or minimize the suspension of business and to continue "operations":
 - i. At the described premises; or
 - ii. At replacement premises or at temporary locations, including relocation expenses, and costs to equip and operate the replacement or temporary locations.

(ii) To minimize the suspension of business if you cannot continue "operations".

(iii) To:

- i. Repair or replace any property; or
- ii. Research, replace or restore the lost information on damaged "valuable papers and records";

to the extent it reduces the amount of loss that otherwise would have been payable under this Additional Coverage or Additional Coverage g. Business Income.

(c) With respect to the coverage provided in this Additional Coverage, suspension means:

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

(d) We will only pay for Extra Expense that occurs within 12 consecutive months after the date of direct physical loss or damage.

h. Pollution Clean Up and Removal

We will pay your expense to extract "pollutants" from land or water at the described premises shown on the Declarations, 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.

(1) This insurance applies to pollution "clean-up costs" only if:

- (a) The "pollution condition" begins at an identifiable time during the "policy period" and ends within 72 hours; and
- (b) You report such claim within 30 days of the date on which the Covered Cause of Loss occurs.

(2) Under this Additional Coverage, we will not pay any costs to comply with any local, state or federal law statute or ordinance that:

- (a) You were required to comply with before the loss; and
- (b) You failed to comply with.

The most we will pay for any loss or damage in any one occurrence for Pollution Clean Up and Removal is the Limit of Insurance for Pollution Clean Up and Removal shown in the Declarations for the sum of all such expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this policy.

i. Civil Authority

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

- (1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within that area but are not more than one mile from the damaged property; and
- (2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

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

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

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

whichever is later.

The definitions of Business Income and Extra Expense contained in the Business Income and Extra Expense Additional Coverages also apply to this Civil Authority Additional Coverage.

The most we will pay for Business Income and Extra Expense loss resulting from the actions of a civil authority is the Limit of Insurance shown on the Declarations for Business Income, Extra Expense and Extended Business Income.

j. Increased Cost Of Construction

(1) This Additional Coverage applies only to buildings insured on a replacement cost basis.

(2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with 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 Paragraphs (3) through (9), below, of this Additional Coverage.

(3) The ordinance or law referred to in Paragraph (2), above 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 "fungi", wet rot or dry rot; 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", "fungi", wet rot or dry rot.

(6) The most we will pay under this Additional Coverage for each building shown on the Declarations under Section I – Property is the Limit of Insurance for Increased Cost of Construction shown on the Declarations.

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 is the increased cost of construction at the same premises.

(c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction is the increased cost of construction at the new premises.

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

(9) The costs addressed in the Loss Payment Property Loss Condition in Part I – Property 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 Paragraph (6) of this Additional Coverage, is not subject to such limitation.

k. Fire Extinguisher Systems Recharge Expense

(1) We will pay:

- (a)** The cost of recharging or replacing, whichever is less, your fire extinguishers and fire extinguishing systems (including hydrostatic testing if needed) if they are discharged on or within 100 feet of the described premises; and
- (b)** For loss or damage to Covered Property if such loss or damage is the result of an accidental discharge of chemicals from a fire extinguisher or a fire extinguishing system.

(2) No coverage will apply if the fire extinguishing system is discharged during installation or testing.

(3) The most we will pay under Fire Extinguisher Systems Recharge Expense is the Limit of Insurance for Fire Extinguisher Systems Recharge shown in the Declarations.

I. Electronic Data

(1) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore "electronic data" which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that "electronic data" is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the "electronic data" was stored, with blank media of substantially identical type.

(2) The Covered Causes of Loss applicable to Business Personal Property include a "computer" virus, harmful code or similar instruction introduced into or enacted on a "computer" system (including "electronic data") or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a "computer" system (including "electronic data") by any employee, including a temporary or leased employee, or by an entity retained by you, or for you, to inspect, design, install, modify, maintain, repair or replace that system.

(3) The most we will pay under this Additional Coverage – Electronic Data for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or "computer" systems involved, is the Limit of Insurance for Electronic Data shown on the Declarations. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in, but not after, that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

(4) This Additional Coverage does not apply to your "stock" of prepackaged software, or to "electronic data" which is integrated in and operates or controls a building's elevator,

lighting, heating, ventilation, air conditioning or security system.

m. Interruption Of Computer Operations

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

not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.

- (4) This Additional Coverage – Interruption Of Computer Operations does not apply to loss sustained or expense incurred after the end of the "period of restoration", even if the amount of insurance stated in (3), above has not been exhausted.
- (5) Coverage for Business Income does not apply when a suspension of "operations" is caused by destruction or corruption of "electronic data", or any loss or damage to "electronic data", except as provided under Paragraphs (1) through (4) of this Additional Coverage.
- (6) Coverage for Extra Expense does not apply when action is taken to avoid or minimize a suspension of "operations" caused by destruction or corruption of "electronic data", or any loss or damage to "electronic data", except as provided under Paragraphs (1) through (4) of this Additional Coverage.
- (7) This Additional Coverage does not apply when loss or damage to "electronic data" involves only "electronic data" which is integrated in and operates or controls a building's elevator, lighting, heating, ventilation, air conditioning or security system.

n. Limited Coverage For "Fungi", Wet Rot or Dry Rot

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

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 "fungi", wet rot or dry rot. As used in this Limited Coverage, the term loss or damage means:
 - (a) Direct physical loss or damage to Covered Property caused by "fungi", wet rot, or dry rot, including the cost of removal of the "fungi", wet rot or dry rot;

- (b) The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungi", wet rot or dry rot; and
 - (c) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungi", wet rot, or dry rot is present.
- (3) The coverage described under this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lighting) which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungi", wet rot or dry rot, we will not pay more than the total of \$15,000 even if the "fungi", wet rot or dry rot continues to be present or active, or recurs in a later policy period.
- (4) The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungi", wet rot or dry rot, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.
- If there is a covered loss or damage to Covered Property, not caused by "fungi", wet rot or dry rot, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungi", wet rot 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.
- (5) The terms of this Limited Coverage do not increase or reduce the coverage provided under the Water Damage, Other Liquids, Powder Or Molten Material Damage or Collapse Additional Coverages.
- (6) The following paragraph applies only if Business Income, Extended Business Income and Extra Expense applies to the described premises and only if the suspension of "operations" satisfies all the terms and conditions of the applicable Business Income, Extended Business Income and Extra Expense Additional Coverage.

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

o. Outdoor Signs

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

p. Money And Securities

- (1) We will pay for loss of "money" and "securities", used in your business while at the described premises, or at a bank or savings institution, or in transit between any of these places, that results from:
 - (a) Theft, meaning any act of stealing;
 - (b) Disappearance; or
 - (c) Destruction.
- (2) In addition to the Limitations and Exclusions applicable to Part **I** – Property, we will not pay for loss:
 - (a) Resulting from accounting or arithmetical errors or omissions;

- (b) Due to the giving or surrendering of property in any exchange or purchase; or
 - (c) Of property contained in any "money"-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.
- (3) The most we will pay for loss in any one occurrence is:
- (a) The limit shown in the Declarations for Inside the Premises for "money" and "securities" while:
 - (i) In or on the described premises; or
 - (ii) Within a bank or savings institution; and
 - (b) The limit shown in the Declarations for Outside the Premises for "money" and "securities" while anywhere else.
- (4) All loss:
- (a) Caused by one or more persons; or
 - (b) Involving a single act or series of related acts;
- is considered one occurrence.
- (5) You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.
- (6) As stated in (3) above the most we will pay for loss or damage in any one occurrence for Money and Securities is subject to the appropriate Limit of Insurance for Money and Securities shown in the Declarations.

q. Money Orders And "Counterfeit Money"

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

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

The most we will pay for any loss or damage in any one occurrence for Money Orders and "Counterfeit Money" is the Limit of Insurance Money Orders And "Counterfeit Money" shown in the Declarations.

r. Forgery Or Alteration

- (1) We will pay for loss resulting directly from forgery or alteration of any check, draft, promissory note, bill of exchange or similar written promise of payment in "money" that you or your agent has issued, or that was issued by someone who impersonates you or your agent.

- (2) If you are sued for refusing to pay the check, draft, promissory note, bill of exchange or similar written promise of payment in "money", on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur in that defense.
- (3) For the purpose of this coverage, check includes a substitute check as defined in the Check Clearing for the 21st Century Act and will be treated the same as the original it replaced.
- (4) The most we will pay for any loss or damage in any one occurrence for Forgery and Alteration is the Limit of Insurance for Forgery and Alteration shown in the Declarations.

s. Employee Dishonesty

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

- (d) Caused by an employee if the employee had also committed theft or any other dishonest act prior to the effective date of this policy and you or any of your partners, "members", "managers", officers, directors or trustees, not in collusion with the employee, learned of that theft or dishonest act prior to the "policy period" shown in the Declarations.
- (3) The most we will pay for loss or damage in any one occurrence is the Limit of Insurance for Employee Dishonesty shown in the Declarations.
- (4) All loss or damage:
- (a) Caused by one or more persons; or
- (b) Involving a single act or series of acts; is considered one occurrence.
- (5) If any loss is covered:
- (a) Partly by this insurance; and
- (b) Partly by any prior cancelled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest;
- the most we will pay is the larger of the amount recoverable under this insurance or the prior insurance.
- We will pay only for loss or damage you sustain through acts committed or events occurring during the "policy period". Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.
- (6) This Additional Coverage is cancelled as to any employee immediately upon discovery by:
- (a) You; or
- (b) Any of your partners, "members", "managers", officers or directors not in collusion with the employee; of any dishonest act committed by that employee before or after being hired by you.
- (7) We will pay only for covered loss or damage sustained during the "policy period" and discovered no later than one year from the end of the "policy period".
- (8) If you (or any predecessor in interest) sustained loss or damage during the "policy period" of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this Additional Coverage, provided:
- (a) This Additional Coverage became effective at the time of cancellation or termination of the prior insurance; and
- (b) The loss or damage would have been covered by this Additional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.
- (9) The insurance under Paragraph (8), above is part of, not in addition to, the Limit of Insurance applying to this Additional Coverage and is limited to the lesser of the amount recoverable under:
- (a) This Additional Coverage as of its effective date; or
- (b) The prior insurance had it remained in effect.
- (10) With respect to the Employee Dishonesty Additional Coverage in Paragraph A.5.q., employee means:
- (a) Any natural person:
- (i) While in your service or for 30 days after termination of service;
- (ii) Who you compensate directly by salary, wages or commissions; and
- (iii) Who you have the right to direct and control while performing services for you;
- (b) Any natural person who is furnished temporarily to you:
- (i) To substitute for a permanent employee, as defined in Paragraph (10)(a) above, who is on leave; or
- (ii) To meet seasonal or short-term workload conditions;
- (c) Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in Paragraph (10)(b) above;
- (d) Any natural person who is a former employee, director, partner, "member", "manager", representative or trustee retained as a consultant while performing services for you; or
- (e) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside any building you occupy in conducting your business.

But employee does not mean:

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

6. Coverage Extensions

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

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

a. Newly Acquired Or Constructed Property

(1) Buildings

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

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

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

(2) Business Personal Property

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

- (a) Business Personal Property, including such property that you newly acquire, at any location you acquire; or
- (b) 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.

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

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

b. 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; or
- (b) 30 days 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.

c. Personal Property Off-premises

You may extend the insurance provided by this policy to apply to your Covered Property, other than "money" and "securities", "valuable papers and records" or accounts receivable, while it is in the course of transit or at a premises you do not own, lease or operate. The most we will pay for loss or damage under this Extension is \$2,500.

d. Outdoor Property

You may extend the insurance provided by this policy 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 part of a vegetated roof), including debris removal expense. Loss or damage must be caused by or result from any of the following causes of loss:

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

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

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, except in the situation in which you are a tenant and such property is owned by the landlord of the described premises.

e. Personal Effects

You may extend the insurance that applies to Business Personal Property to apply to personal effects owned by you, your officers, your partners or "members", your "managers" or your employees, including temporary or

leased employees. This extension does not apply to:

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

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

f. Valuable Papers and Records

- (1) You may extend the insurance that applies to Business Personal Property to apply to direct physical loss or damage to "valuable papers and records" that you own, or that are in your care, custody or control, caused by or resulting from a Covered Cause of Loss. This Coverage Extension includes the cost to research, replace or restore the lost information on "valuable papers and records" for which duplicates do not exist.
- (2) This Coverage Extension does not apply to:
 - (a) Property held as samples or for delivery after sale; and
 - (b) Property in storage away from the premises shown in the Declarations.
- (3) The most we will pay under this Coverage Extension for loss or damage to "valuable papers and records" in any one occurrence is the Limit of Insurance for Valuable Papers and Records shown in the Declarations.
- (4) Loss or damage to "valuable papers and records" will be valued at the cost of restoration or replacement of the lost or damaged information. To the extent that the contents of the "valuable papers and records" are not restored, the "valuable papers and records" will be valued at the cost of replacement with blank materials of substantially identical type.
- (5) Paragraph B. Exclusions in Part I – Property does not apply to this Coverage Extension except for:
 - (a) Paragraph B.1.c., Governmental Action;
 - (b) Paragraph B.1.d., Nuclear Hazard;
 - (c) Paragraph B.1.f., War And Military Action;
 - (d) Paragraph B.2.f., Dishonesty;
 - (e) Paragraph B.2.g., False Pretense;
 - (f) Paragraph B.2.m.(2), Errors Or Omissions; and
 - (g) Paragraph B.3.

g. Accounts Receivable

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

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

- (2) The most we will pay under this Coverage Extension for loss or damage in any one occurrence for accounts receivable at the described premise is the Limit of Insurance for Accounts Receivable shown in the Declarations.

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

- (3) Paragraph B. Exclusions in Part I – Property does not apply to this Coverage Extension except for:
 - (a) Paragraph B.1.c., Governmental Action;
 - (b) Paragraph B.1.d., Nuclear Hazard;
 - (c) Paragraph B.1.f., War And Military Action;
 - (d) Paragraph B.2.f., Dishonesty;
 - (e) Paragraph B.2.g., False Pretense;
 - (f) Paragraph B.3.; and
 - (g) Paragraph B.6., Accounts Receivable Exclusion.

h. Business Personal Property Temporarily In Portable Storage Units

- (1) You may extend the insurance that applies to 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 buildings or structures described in the Declarations or within 100 feet of the described premises, whichever distance is greater.
- (2) The limitation under Paragraph A.4.a.(5) also applies to property in a portable storage unit.

- (3) Coverage under this Extension:
- (a) Will end 60 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 60 consecutive days, even if the Business Personal Property has been stored there for 60 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 \$5,000 (unless a higher limit is indicated in the Declarations for such Extension) regardless of the number of storage units.
- (5) This Extension does not apply to loss or damage otherwise covered under this Coverage Form or any endorsement to this Coverage Form, and does not apply to loss or damage to the storage unit itself.

B. Exclusions

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

a. Ordinance Or Law

- (1) The enforcement of or compliance with any ordinance or law:
- (a) Regulating the construction, use or repair of any property; or
 - (b) Requiring the tearing down of any property, including the cost of removing its debris.
- (2) This exclusion, Ordinance Or Law, applies whether the loss results from:
- (a) An ordinance or law that is enforced even if the property has not been damaged; or
 - (b) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property or removal of its debris, following a physical loss to that property.

b. Earth Movement

- (1) Earthquake, including tremors and aftershocks and any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;

- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;

- (4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

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

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

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

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

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

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

This exclusion applies regardless of whether any of the above, in Paragraphs (1) through (5), is caused by an act of nature or is otherwise caused.

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

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

d. Nuclear Hazard

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

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

e. Utility Services

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

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

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

Loss or damage caused by a surge of power is also excluded, if the surge would not have occurred but for an event causing a failure of power.

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

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

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

f. War And Military Action

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

g. Water

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

(c) Doors, windows or other openings; or

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

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

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

h. Certain Computer-related Losses

- (1) The failure, malfunction or inadequacy of:
 - (a) Any of the following, whether belonging to any insured or to others:
 - (i) "Computer" hardware, including microprocessors or other electronic data processing equipment as may be described elsewhere in this policy;
 - (ii) "Computer" application software or other "electronic data" as may be described elsewhere in this policy;
 - (iii) "Computer" operating systems and related software;
 - (iv) "Computer" networks;
 - (v) Microprocessors ("computer" chips) not part of any "computer" system; or
 - (vi) Any other computerized or electronic equipment or components; or
 - (b) Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph (a) above;

due to the inability to correctly recognize, distinguish, interpret or accept one or more dates or times. An example is the inability of "computer" software to recognize the year 2000.
- (2) Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any

potential or actual problems described in Paragraph (1) above.

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

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

i. "Fungi", Wet Rot Or Dry Rot

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

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

This exclusion does not apply:

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

j. Virus Or Bacteria

(1) Any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.

(2) However, the exclusion in Paragraph (1) does not apply to loss or damage caused by or resulting from "fungi", wet rot or dry rot. Such loss or damage is addressed in Exclusion i.

(3) With respect to any loss or damage subject to the exclusion in Paragraph (1), such exclusion supersedes any exclusion relating to "pollutants".

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

a. Electrical Apparatus

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

- (1) Electrical or electronic wire, device, appliance, system or network; or
- (2) Device, appliance, system or network utilizing cellular or satellite technology.

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

- (1) Electrical current, including arcing;

- (2) Electrical charge produced or conducted by a magnetic or electromagnetic field;
- (3) Pulse of electromagnetic energy; or
- (4) Electromagnetic waves or microwaves.

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

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

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

b. Consequential Losses

Delay, loss of use or loss of market.

c. Smoke, Vapor, Gas

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

d. Steam Apparatus

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

e. Frozen Plumbing

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

- (1) You maintain heat at or above 55 degrees in the building or structure; or
- (2) You drain the equipment and shut off the supply if the heat is not maintained.

f. Dishonesty

Dishonest or criminal acts (including theft) by you, anyone else with an interest in the property, or any of your or their partners, "members", officers, "managers", employees (including temporary or leased employees), 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 or leased employees) or authorized representatives; but theft by your employees (including temporary or leased employees) or authorized representatives is not covered.

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

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

g. False Pretense

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

h. Exposed Property

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

i. Collapse

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

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

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

- (2) This Exclusion **i.** does not apply:

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

- (iv) Weight of people or personal property.

j. Pollution

We will not pay for loss or damage caused by or resulting from the discharge, dispersal, seepage, migration, release or escape of "pollutants". 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". Except as provided under Paragraph **A.5.g.**, Pollution Clean Up and Removal Additional Coverage.

k. Neglect

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

l. Other Types Of Loss

- (1) Wear and tear;
- (2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;
- (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals;
- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force.
This exclusion does not apply with respect to the breakdown of "computer(s)";
- (7) The following causes of loss to personal property:
 - (a) Dampness or dryness of atmosphere;
 - (b) Changes in or extremes of temperature; or
 - (c) Marring or scratching.

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

m. Errors Or Omissions

Errors or omissions in:

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

However, we will pay for direct physical loss or damage caused by resulting fire or explosion if

these causes of loss would be covered by this Coverage Form.

n. Installation, Testing, Repair

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

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

o. Electrical Disturbance

Electrical or magnetic injury, disturbance or erasure of "electronic data", except as provided for under the Additional Coverages of Part I – Property.

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

p. Continuous Or Repeated Seepage Or Leakage Of Water

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

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

a. Weather Conditions

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

b. Acts Or Decisions

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

c. Negligent Work

Faulty, inadequate or defective:

- (1) Planning, zoning, development, surveying, siting;
 - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (3) Materials used in repair, construction, renovation or remodeling; or
 - (4) Maintenance;
- of part or all of any property on or off the described premises.

4. Additional Exclusion

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

Loss Or Damage To Products

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

5. Business Income, Extended Business Income, and Extra Expense Exclusions

a. We will not pay for:

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

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

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

- (2) Any other consequential loss.

b. With respect to this exclusion, suspension means:

- (1) The partial slowdown or complete cessation of your business activities; and

- (2) That a part or all of the described premises is rendered untenable, if coverage for Business Income applies.

6. Accounts Receivable Exclusion

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

We will not pay for:

- a.** Loss or damage caused by or resulting from alteration, falsification, concealment or destruction of records of accounts receivable

done to conceal the wrongful giving, taking or withholding of "money", "securities" or other property.

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

- b. Loss or damage caused by or resulting from bookkeeping, accounting or billing errors or omissions.
- c. Any loss or damage that requires any audit of records or any inventory computation to prove its factual existence.

C. Limits Of Insurance

1. The most we will pay for loss or damage in any one occurrence is the applicable Limits Of Insurance of Part I – Property shown in the Declarations.
2. The amounts of insurance applicable to the Coverage Extensions apply in accordance with the terms of such coverages and are in addition to the Limits of Insurance of Part I – Property:
 - a. Fire Department Service Charge;
 - b. Increased Cost Of Construction;
 - c. Business Income From Dependent Properties;
 - d. Electronic Data; and
 - e. Interruption Of Computer Operations.

D. Deductibles

1. We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible up to the applicable Limit of Insurance of Part I – Property.
2. Regardless of the amount of the Deductible, the most we will deduct from any loss or damage under any one of the following Additional Coverages in any one occurrence is the Deductible shown separately for each coverage:
 - a. Money and Securities;
 - b. Employee Dishonesty;
 - c. Outdoor Signs; and
 - d. Forgery or Alteration.

But these Deductibles will not increase the Deductible shown in the Declarations. This Deductible will be used to satisfy the requirements of the Deductible in the Declarations
3. No deductible applies to the following Additional Coverages:
 - a. Fire Department Service Charge;
 - b. Business Income;
 - c. Extra Expense;
 - d. Civil Authority; and
 - e. Fire Extinguisher Systems Recharge Expense.

E. Loss Conditions - Property

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

If we and you disagree on the amount of loss, either may make written demand for an appraisal of the loss. Appraisal is mandatory if invoked by either party. In this event, each party will select a qualified, impartial appraiser. The two appraisers will select a qualified, impartial umpire. If the appraisers cannot agree on the umpire, either you or we may request, after reasonable written notice to the other, that the selection be made by a court having jurisdiction. We and you will cooperate with the appraisers and umpire to provide information and access to the property to appraise the loss. If the appraisers agree, they shall issue a detailed appraisal decision which will be binding on you and us. If the appraisers fail to agree, they will submit their differences to the umpire. The umpire shall consider the submissions, independently appraise the loss, and issue a detailed appraisal decision that will be binding on you and us. Each party will:

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

In this section, impartial appraiser and impartial umpire shall mean a person who is not a current employee of either party and whose compensation from any source is not affected by the amount of the award or the insured's recovery on the claim.

In this section, detailed appraisal decision shall mean a written appraisal which provides line-item descriptions and amounts for any category of damage or expense requested by you or us, in writing, within thirty (30) days of the initial request for appraisal. The requests for particular line-items may include, but are not limited to, the value of the property, the cost of repair or replacement of any particular component of the property, the cost attributable to code upgrades, the cause(s) of the damage appraised, and the dates that any particular damage occurred or manifested. However, the requests may not, and the appraisal shall not, address which categories of the award, if any, are covered by this policy. The parties retain the right to have a court of competent jurisdiction determine which elements of the appraisal, if any, are covered under this policy based on the facts determined by the appraisal, the policy and applicable law. They also retain the right to have the court determine the cause(s) of the damage appraised, if there is any post-appraisal disagreement concerning causation. The request for a particular line-item shall not be deemed an admission by either party that such category is covered or not covered by this policy.

In the event the appraisal panel cannot determine a line-item requested by you or us, that inability and the reason shall be indicated on the detailed appraisal decision. To the extent that any questions of coverage or causation require determination of any fact not established by the detailed appraisal decision, the parties may offer evidence relevant to that fact in litigating the issues of coverage or causation.

3. Duties In The Event Of Loss Or Damage

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

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limits of Insurance of Part I – Property. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
- (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.
Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
- (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- (8) Cooperate with us in the investigation or settlement of the claim.
- (9) Resume all or part of your "operations" as quickly as possible.

b. We may examine any insured under oath, while not in the presence of any other insured and at

such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

4. Legal Action Against Us

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

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

5. Loss Payment

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

- a. At our option, we will either:
 - (1) Pay the value of lost or damaged property;
 - (2) Pay the cost of repairing or replacing the lost or damaged property;
 - (3) Take all or any part of the property at an agreed or appraised value; or
 - (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to Paragraph d.(1)(e) below.
- b. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- c. We will not pay you more than your financial interest in the Covered Property.
- d. Except as provided in Paragraphs (2) through (7) below, we will determine the value of Covered Property as follows:
 - (1) At replacement cost without deduction for depreciation, subject to the following:
 - (a) If, at the time of loss, the Limit of Insurance on the lost or damaged property is 80% or more of the full replacement cost of the property immediately before the loss, we will pay the cost to repair or replace, after application of the Deductible and without deduction for depreciation, but not more than the least of the following amounts:
 - (i) The Limit of Insurance under Part I – Property that applies to the lost or damaged property;
 - (ii) The cost to replace, on the same premises, the lost or damaged property with other property:
 - i. Of comparable material and quality; and
 - ii. Used for the same purpose; or

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

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

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

- (i) The actual cash value of the lost or damaged property; or
- (ii) A proportion of the cost to repair or replace the lost or damaged property, after application of the Deductible and without deduction for depreciation. This proportion will equal the ratio of the applicable Limit of Insurance to 80% of the full replacement cost of the property.

Example

The full replacement cost of property which suffers a total loss is \$100,000. The property is insured for \$70,000. 80% of the full replacement cost of the property immediately before the loss is \$80,000 (\$100,000 x .80 = \$80,000). A partial loss of \$25,000 is sustained. The amount of recovery is determined as follows:

Amount of recovery

$$\$70,000 \div \$80,000 = .875$$

$$.875 \times \$25,000 = \$21,875$$

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

- (ii) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage.

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

- (e) The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.

- (2) If the Actual Cash Value – Buildings option applies, as shown in the Declarations, Paragraph (1) above does not apply to Buildings. Instead, we will determine the value of Buildings at actual cash value.

- (3) The following property at actual cash value:

- (a) Used or secondhand merchandise held in storage or for sale;

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

- (c) Household contents, except personal property in apartments or rooms furnished by you as landlord;

- (d) Manuscripts; and

- (e) Works of art, antiques or rare articles, including etchings, pictures, statuary, marble, bronzes, porcelain and bric-a-brac.

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

- (5) Tenants' improvements and betterments at:

- (a) Replacement cost if you make repairs promptly.

- (b) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:

- (i) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and

- (ii) Divide the amount determined in (i) above by the number of days from the installation of improvements to the expiration of the lease.

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

- (c) Nothing if others pay for repairs or replacement.
- (6) Applicable only to the Additional Coverages:
- (a) "Money" at its face value; and
 - (b) "Securities" at their value at the close of business on the day the loss is discovered.
- (7) Applicable only to accounts receivable:
- (a) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage:
 - (i) We will determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss or damage occurs; and
 - (ii) We will adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.
 - (b) The following will be deducted from the total amount of accounts receivable, however that amount is established:
 - (i) The amount of the accounts for which there is no loss or damage;
 - (ii) The amount of the accounts that you are able to reestablish or collect;
 - (iii) An amount to allow for probable bad debts that you are normally unable to collect; and
 - (iv) All unearned interest and service charges.
- e. Our payment for loss of or damage to personal property of others will only be for the account of the owners of the property. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.

- f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- g. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, provided you have complied with all of the terms of this policy, and:
 - (1) We have reached agreement with you on the amount of loss; or
 - (2) An appraisal award has been made.
- h. A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the loss to the party wall, subject to all applicable policy provisions including Limits of Insurance and all other provisions of this Loss Payment 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.

6. Recovered Property

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

7. Resumption Of Operations

We will reduce the amount of your:

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

8. Vacancy

a. Description Of Terms

- (1) As used in this Vacancy Condition, the term building and the term vacant have the

meanings set forth in Paragraphs (a) and (b) below:

- (a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary "operations".
- (b) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:
 - (i) Rented to a lessee or 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) We will not pay for loss or damage under the Pollution Clean Up and Removal Additional Coverage.
- (3) With respect to Covered Causes of Loss other than those listed in Paragraphs (1)(a) through (1)(f) above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

9. Other Insurance

- a. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Part I - Property. 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 Part I - Property bears to the Limits Of Insurance for all insurance covering on the same basis.

- b. If there is other insurance covering the same loss or damage, other than that described in a., above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit Of Insurance.

F. Property General Conditions

1. Control Of Property

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

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

2. Mortgageholders

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

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

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

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

transferred to us and you will pay your remaining mortgage debt to us.

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:
- (1) 10 days before the effective date of cancellation if we cancel for your 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.

3. No Benefit To Bailee

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

4. Policy Period, Coverage Territory

Under Part I – Property:

- a. We cover loss or damage commencing:
- (1) During the “policy period” shown in the Declarations; and
 - (2) Within the coverage territory or, with respect to property in transit, while it is between points in the coverage territory.
- b. The coverage territory is:
- (1) The United States of America (including its territories and possessions);
 - (2) Puerto Rico; and
 - (3) Canada.

5. Transfer Of Rights Of Recovery Against Others To Us

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

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

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

This will not restrict your insurance.

G. Property Definitions

1. **Clean-up Costs** means reasonable and necessary expenses incurred for the investigation, removal, remediation (including associated monitoring), restoration, or disposal of soil, surface-water or groundwater or other contamination at the described premises:
 - a. To the extent required by applicable environmental laws, or specifically mandated by court order, the government or any political subdivision or agency of the United States of America or any state or municipality thereof, or Canada or any province thereof; or
 - b. Which have actually been incurred by the government or any political subdivision or agency of the United States of America or any state or municipality thereof, or Canada or any province thereof, or by any third parties; or
 - c. “Environmental response costs”.
2. **Computer means:**
 - a. Programmable electronic equipment that is used to store, retrieve and process data; and
 - b. Associated peripheral equipment that provides communication, including input and output functions such as printing and auxiliary functions such as data transmission.

“Computer” does not include those used to operate production-type machinery or equipment.
3. **Counterfeit Money** means an imitation of “money” that is intended to deceive and to be taken as genuine.
4. **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.
5. **Environmental Response Costs** means reasonable and necessary expenses incurred in the remediation of soil, surface-water, groundwater or other contamination at the described premises that must be incurred:
 - a. In response to any “pollution condition” that requires immediate action for the safety of persons or property; and

- b. Within seventy-two (72) hours of the commencement of such "pollution conditions", or as approved by us in writing; and
- c. Utilizing a third-party emergency response contractor not affiliated with any insured.
6. **Fungi** means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
7. **Manager** means a person serving in a directorial capacity for a limited liability company.
8. **Member** means an owner of a limited liability company represented by its membership interest, who also may serve as a "manager".
9. **Money** means:
- Currency, coins and bank notes in current use and having a face value; and
 - Traveler's checks, register checks and money orders held for sale to the public.
10. **Operations** means your business activities occurring at the described premises.
11. **Period of Restoration**
- Means the period of time that:
 - Begins:
 - 72 hours after the time of direct physical loss or damage for Business Income Coverage; or
 - 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
 - Ends on the earlier of:
 - The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
 - The date when business is resumed at a new permanent location.
 - Does not include any increased period required due to the enforcement of or compliance with any ordinance or law that:
 - Regulates the construction, use or repair, or requires the tearing down of any property; or
 - 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".
12. **Policy Period** means the period set forth in the Declarations, or any shorter period arising as a result of cancellation of this policy.
13. **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.
14. **Pollution Condition** means the discharge, dispersal, release or escape of any "pollutant", provided such conditions are not naturally present in the environment in the concentrations or amounts discovered, unless such natural conditions are released or dispersed as a result of the performance of "covered operations", and such release or dispersal is unexpected and unintended from the standpoint of the insured.
15. **Securities** means negotiable and nonnegotiable instruments or contracts representing either "money" or other property and includes:
- Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
 - Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include "money".
16. **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.
- 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:
 - The cost of filling sinkholes; or
 - Sinking or collapse of land into man-made underground cavities.
 - Falling objects does not include loss of or damage to:
 - Personal property in the open; or
 - The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
- c. **Water damage** means:
- Accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) containing water or steam; and
 - 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 that is located off the described premises and is part of a municipal potable water supply system or municipal sanitary sewer system, if the breakage or cracking is caused by wear and tear.

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 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 ground surface.

17. 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.

18. Valuable papers and records means inscribed, printed or written:

- a. Documents;
- b. Manuscripts; and
- c. Records;

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

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

PART II - LIABILITY

(SOME COVERAGES HAVE DEFENSE EXPENSES WITHIN THE LIMITS)

NOTICE:

WHEN INDICATED IN THE DECLARATIONS AS BEING INCLUDED BY SHOWING A LIMIT OF LIABILITY AND PREMIUM, CONSULTANTS' PROFESSIONAL LIABILITY (COVERAGE E) AND NON-OWNED DISPOSAL SITE POLLUTION LIABILITY (COVERAGE F) PROVIDE CLAIMS-MADE AND REPORTED COVERAGE.

THESE COVERAGES IF PROVIDED HAVE A COVERAGE TRIGGER AND REPORTING REQUIREMENTS, INCLUDING CLAIMS DEFENSE EXPENSES WITHIN THE LIMITS OF LIABILITY, THAT DIFFER FROM THE OCCURRENCE COMMERCIAL GENERAL LIABILITY (COVERAGES A and B) AND OCCURRENCE CONTRACTORS' POLLUTION LIABILITY COVERAGE SECTIONS (COVERAGE D).

IT IS HIGHLY RECOMMENDED THAT YOU CONSULT WITH YOUR AGENT AND ATTORNEY TO UNDERSTAND ANY COVERAGE DIFFERENCE

SECTION I – COVERAGES

COMMERCIAL GENERAL LIABILITY COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages.

However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any "claim" or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance and Deductibles; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance alone or in any combination in the payment of:
 - (a) Judgments or settlements under Coverage A, B, D, E, or F; and
 - (b) "Clean-up costs" under Coverage D, E, or F; and
 - (c) "Defense expenses" incurred under Coverage E, or F; and
 - (d) Medical payments under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under item 3. Supplementary Payments – Coverage A. Bodily Injury and Property Damage Liability.

- b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory"; and
- (2) The "bodily injury" or "property damage" occurs during the "policy period"; and
- (3) Prior to the "policy period", no insured listed under paragraph 1. of Section II - Who Is An Insured and no "employee" or "responsible insured" authorized by you to give or receive notice of an "occurrence" or "claim", knew that the "bodily injury" or "property damage" had occurred, in whole or in part.

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

- c. "Bodily injury" or "property damage" which occurs during the "policy period" and was not, prior to the "policy period", known to have occurred by any insured listed under paragraph 1. of Section II - Who Is An Insured or any "employee" or "responsible insured" authorized by you to give or receive notice of an "occurrence" or "claim", includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the "policy period".
- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under paragraph 1. of Section II - Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or "claim".

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

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

2. Exclusions

This insurance does not apply to:

a. Expected Or Intended Injury

Any "claim", cost, expense or damages arising from an act or omission that, from the standpoint of the insured, can be reasonably expected to cause "bodily injury" or "property damage" even if the resulting injury or damage is of a different kind or degree than intended or reasonably expected.

This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

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

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
 - (b) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

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

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

This exclusion applies even if the "claims" against any insured allege negligence or other wrongdoing in:

(a) The supervision, hiring, employment, training or monitoring of others by that insured; or

(b) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

if the "occurrence" which caused the "bodily injury" or "property damage", involved that which is described in Paragraph (1), (2) or (3) above.

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

d. Workers' Compensation And Similar Laws

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

e. Employer's Liability

"Bodily injury" to:

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

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

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

f. Pollution

- (1) "Bodily injury" or "property damage" which would not have occurred in whole or part but for the actual, alleged or threatened discharge,

dispersal, seepage, migration, release or escape of "pollutants" at any time.

- (2) Any loss, cost or expense arising out of any:
- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or
 - (b) "Claim" or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants"

g. Aircraft, Auto Or Watercraft

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

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

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - (a) Less than 26 feet long; and
 - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

- (5) "Bodily injury" or "property damage" arising out of:

- (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged; or
- (b) The operation of any of the machinery or equipment listed in paragraph f. (2) or (3) of the definition of "mobile equipment".

h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

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

i. War

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

- (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.

j. Damage To Property

"Property damage" to:

- (1) Property that you own, rent, or occupy, including any costs or expenses incurred by you or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;

- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the “property damage” arises out of those operations; or
- (6) That particular part of any property that must be restored repaired or replaced because “your work” was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to “property damage” (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of seven (7) or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III. Limits Of Insurance And Deductible.

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

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

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

k. Damage To Your Product

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

l. Damage To Your Work

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

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

m. Damage To Impaired Property Or Property Not Physically Injured

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

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

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

n. Recall Of Products, Work Or Impaired Property

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

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

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

o. Personal And Advertising Injury

“Bodily injury” arising out of “personal and advertising injury”.

p. Electronic Data

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

q. Distribution Of Material In Violation Of Statutes

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

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- (3) The Fair Credit Reporting Act (FCRA), and any amendment or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

r. Failure To Comply

“Claims”, “defense expenses” or damages arising out of any “responsible insured’s” intentional knowing, willful or deliberate failure to comply with any statute, regulation, ordinance, administrative complaint, notice of violation, notice letter, executive order, or instruction of any governmental or public agency.

s. Leaking Storage Tank System

“Bodily injury” or “property damage” alleged or determined to be caused in whole or in part by a leaking underground or above ground storage tank and associated connections and piping that has been installed or serviced by the insured.

t. Asbestos, Lead or Silica

“Bodily injury” or “property damage” arising out of, or resulting from, or in any way related to the disposal, distribution, existence, handling, ingestion, inhalation, sale, storage, shipping, transportation or use of any:

- (1) Asbestos in any form or of any type, or materials or equipment containing any form or type of asbestos; or
- (2) Lead or lead paint, or any material containing lead in any form; or
- (3) Silica or any material containing silica in any form or a compound containing silica.

u. Mold, Fungi, Virus, Bacteria, Air Quality, Contaminants, Minerals or Other Harmful Materials

- (1) “Bodily injury”, or “property damage” arising out of, caused by, or contributed to in any way by the existence, growth, spread, dispersal, release, or escape of any mold, fungi, lichen, virus, bacteria, algae or other growing organism that has toxic, hazardous, noxious, pathogenic, irritating or allergen qualities or characteristics. This exclusion applies to all such “claims” or causes of action, including allegations that any insured caused or contributed to conditions that encouraged the growth, depositing or establishment of such colonies of mold, lichen, fungi, virus, bacteria, algae or other living or dead organism; or
- (2) “Bodily injury” or “property damage” arising out of, caused by, or alleged to be contributed to in any way by the presence of any toxic, hazardous, noxious, irritating, pathogenic or allergen substances in indoor air, even for a very brief period of time, regardless of cause; or
- (3) “Bodily injury”, or “property damage” arising out of, caused by, or alleged to be contributed to in any way by any insured’s use, sale or installation of any substance, material, or other product that is either alleged or deemed to be hazardous, toxic, irritating, pathogenic or noxious in any way, or contributes in any way to an allergic reaction; or
- (4) “Bodily injury” or “property damage” arising out of, caused by, or alleged to be contributed to in any way by toxic or hazardous properties of minerals or other substances.

v. Professional Liability

“Bodily injury” or “property damage” arising out of the rendering of or failure to render any “professional services” by or for any Insured including:

- (1) The preparing, approving or failure to prepare or approve any maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or
- (2) Supervisory, inspection or engineering services.

This exclusion applies even if the “claims” against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the “occurrence” which caused the “bodily injury” or “property damage”, involved the rendering of or failure to render any professional services by you or on your behalf with respect to the operations described above.

w. Insured Versus Insured

“Claims” or “suits” brought by any insured against any other insured qualifying as an insured in paragraph 1. of Section II – Who Is An Insured., including all “defense expenses” or damages incurred in connection with such “claims” or “suits” by any insured qualifying as an insured in paragraph 1. of Section II – Who Is An Insured.

x. Waste Facility

“Bodily injury” or “property damage” arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of “pollutants” from a “waste facility”.

y. Work Or Premises Specifically Insured Elsewhere

“Claims”, “defense expenses”, damages, demands, requests for defense, payment or any other cost arising out of, caused by or occurring at premises or “your work” covered under any insurance purchased by you or others on your behalf specifically for that premises or project under a Consolidated Insurance Program (CIP), Owner-Controlled Insurance Program (OCIP), Contractor-Controlled Insurance Program (CCIP), Wrap-Up or similar insurance program.

z. Employment Related Practices

“Bodily injury” to:

- (1) Any person arising out of any:
 - (a) Refusal to employ that person; or
 - (b) Termination of that person’s employment; or
 - (c) Refusal or failure to give a good reference or the giving of a bad reference of any kind; or

(d) Employment related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person.

(2) The spouse, child, parent or sibling of that person as a consequence of "bodily injury" to that person at whom any of the employment related practices described in paragraphs (a), (b), (c) or (d) above is directed.

This exclusion applies:

(1) Whether the injury-causing event described in paragraphs (a), (b), (c) or (d) above occurs before employment, during employment or after employment of that person; and

(2) Whether the insured may be liable as an employer or in any other capacity; and

(3) To any obligation to share damages with or repay someone else who must pay damages because of the "bodily injury".

aa. Abuse Or Molestation

"Bodily injury" arising out of:

(1) The actual or threatened abuse or molestation by anyone of any person while in the care, custody or control of any insured, or

(2) The negligent:

(a) Employment;

(b) Investigation;

(c) Supervision;

(d) Reporting to the proper authorities, or failure to so report; or

(e) Retention;

of a person for whom any insured is or ever was legally responsible and whose conduct would be excluded by paragraph (1) above.

Exclusions c. through n. do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section III. Limits Of Insurance And Deductibles.

3. SUPPLEMENTARY PAYMENTS – COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY

a. We will pay, with respect to any "claim" we investigate or settle, or any "suit" against an insured we defend:

(1) All expenses we incur.

(2) Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which this Coverage A applies. We do not have to furnish these bonds.

(3) The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.

(4) All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the "claim" or "suit", including actual loss of earnings up to \$250 a day because of time off from work.

(5) All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.

(6) Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.

(7) All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These Supplementary Payments will not reduce the limits of insurance.

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

(1) The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract"; and

(2) This insurance applies to such liability assumed by the insured; and

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

(4) The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the

interests of the insured and the interests of the indemnitee; and

- (5) The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
- (6) The indemnitee:
- (a) Agrees in writing to:
- i Cooperate with us in the investigation, settlement or defense of the "suit"; and
 - ii Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit"; and
 - iii Notify any other insurer whose coverage is available to the indemnitee; and
 - iv Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
- (b) Provides us with written authorization to:
- i Obtain records and other information related to the "suit"; and
 - ii Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments.

Notwithstanding the provisions of paragraph **2.b.(2)** of Section I Coverages, Coverage A Bodily Injury And Property Damage Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements or the conditions set forth above, or the terms of the agreement described in paragraph **b.(6)** above, are no longer met.

COMMERCIAL GENERAL LIABILITY COVERAGE B - PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages.

However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any "claim" or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance and Deductible; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance alone or in any combination in the payment of:
 - (a) Judgments or settlements under Coverages A, B, D, E, or F; and
 - (b) "Clean-up costs" under Coverage D, E, or F; and
 - (c) "Defense expenses" incurred under Coverage E, or F; and
 - (d) Medical payments under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under item 3. Supplementary Payments – Coverage B. – Personal and Advertising Injury Liability.

- b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the "policy period".

2. Exclusions

This insurance does not apply to:

a. Knowing Violation Of Rights Of Another

"Personal and advertising injury" caused by or at the direction of any insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

b. Material Published With Knowledge Of Falsity

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material, if done by or at the direction of the insured with knowledge of its falsity.

c. Material Published Prior To Policy Period

"Personal and advertising injury" arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the "policy period".

d. Criminal Acts

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

e. Contractual Liability

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

f. Breach Of Contract

"Personal and advertising injury" arising out of a breach of contract.

g. Quality Or Performance Of Goods – Failure To Conform To Statements

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

h. Wrong Description Of Prices

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

i. Infringement Of Copyright, Patent, Trademark Or Trade Secret

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights.

j. Insureds In Media And Internet Type Businesses

"Personal and advertising injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting; or
- (2) Designing or determining content of web-sites for others; or
- (3) An Internet search, access, content or service provider.

k. Electronic Chatrooms Or Bulletin Boards

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

l. Unauthorized Use Of Another's Name Or Product

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

m. Pollution

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

n. Pollution-Related

Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) "Claim" or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

o. War

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

- (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.

p. Distribution Of Material In Violation Of Statutes

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- (3) The Fair Credit Reporting Act (FCRA), and any amendment or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or

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

q. Abuse Or Molestation

“Personal and advertising injury” arising out of:

- (1) The actual or threatened abuse or molestation by anyone of any person while in the care, custody or control of any insured, or
- (2) The negligent:
- (a) Employment;
 - (b) Investigation;
 - (c) Supervision;
 - (d) Reporting to the proper authorities, or failure to so report; or
 - (e) Retention;

of a person for whom any insured is or ever was legally responsible and whose conduct would be excluded by paragraph (1) above.

r. Employment Related Practices

“Claims” arising out of “personal and advertising injury” to:

- (1) Any person arising out of any:
- (a) Refusal to employ that person; or
 - (b) Termination of that person’s employment; or
 - (c) Refusal or failure to give a good reference or the giving of a bad reference of any kind; or
 - (d) Employment related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person.
- (2) The spouse, child, parent or sibling of that person as a consequence of “personal and advertising injury” to that person at whom any of the employment related practices described in paragraphs (a), (b), (c) or (d) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in paragraphs (a), (b), (c) or (d) above occurs before employment, during employment or after employment of that person; and
- (2) Whether the insured may be liable as an employer or in any other capacity; and

- (3) To any obligation to share damages with or repay someone else who must pay damages because of the “personal and advertising injury”.

s. Professional Liability

“Personal and advertising injury” arising out of the rendering or failure to render any “professional services” by or for any insured including:

- (1) The preparation, approving, or failure to prepare or approve any maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or
- (2) Supervisory, inspection or engineering services.

This exclusion applies even if the “claims” against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the offense which caused the “personal and advertising injury”, involved the rendering of or failure to render any professional services by you or on your behalf with respect to the operations described above.

t. Insured Versus Insured

“Claims” or “suits” brought by any insured against any other insured qualifying as an insured in paragraph 1. of Section II – Who Is An Insured., including all “defense expenses” or damages incurred in connection with such “claims” or “suits” by any insured qualifying as an insured in paragraph 1. of Section II – Who Is An Insured.

3. SUPPLEMENTARY PAYMENTS – COVERAGE B - PERSONAL AND ADVERTISING INJURY LIABILITY

We will pay, with respect to any “claim” we investigate or settle, or any “suit” against an insured we defend:

- a. All expenses we incur.
- b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which this Coverage B applies. We do not have to furnish these bonds.
- c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the “claim” or “suit”, including actual loss of earnings up to \$250 a day because of time off from work.
- e. All court costs taxed against the insured in the “suit”. However, these payments do not include attorneys’ fees or attorneys’ expenses taxed against the insured.
- f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we

will not pay any prejudgment interest based on that period of time after the offer.

- g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These Supplementary Payments will not reduce the limits of insurance.

COVERAGE C - MEDICAL PAYMENTS

1. Insuring Agreement

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

- (1) On premises you own or rent; or
- (2) On ways next to premises you own or rent; or
- (3) Because of the insured's "covered operations"; provided that:

(a) The accident takes place in the "coverage territory" and during the "policy period"; and

(b) The expenses are incurred and reported to us within one year of the date of the accident; and

(c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

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

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

2. Exclusions

We will not pay expenses for "bodily injury":

a. Any Insured

To any insured, except "volunteer workers".

b. Hired Person

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

c. Injury On Normally Occupied Premises

To a person injured on that part of premises that you own or rent that the person normally occupies.

d. Workers' Compensation And Similar Laws

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are

payable or must be provided under a workers' compensation or disability benefits law or a similar law.

e. Athletics Activities

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

f. Products-Completed Operations Hazard

Included within the "products-completed operations hazard".

g. Coverage A Exclusions

Excluded under Coverage A. Bodily Injury And Property Damage Liability

h. Nuclear Energy

To expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.

COVERAGE D - CONTRACTORS' POLLUTION LIABILITY

1. Insuring Agreement

- a. We will pay on behalf of the insured those sums that the insured shall become legally obligated to pay as damages because of "claims" for "bodily injury", "property damage" or "environmental damage" resulting from "pollution conditions" caused by "covered operations" of the insured to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages.

However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury", "property damage" or "environmental damage" to which this insurance does not apply. We may, at our discretion, investigate any "pollution condition" and settle any "claim" or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance and Deductibles; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance alone or in any combination in the payment of:
 - (a) Judgments or settlements under Coverages A, B, D, E, or F; and
 - (b) "Clean-up costs" under Coverage D, E, or F; and
 - (c) "Defense expenses" incurred under Coverage E or F; and
 - (d) Medical payments under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless

explicitly provided for under item **3**. Supplementary Payments – Coverage **D**. - Contractors' Pollution Liability.

b. This insurance applies to "bodily injury", "property damage" or "environmental damage" only if:

- (1) The "bodily injury", "property damage" or "environmental damage" is caused by a "pollution condition" that takes place in the "coverage territory"; and
- (2) The "bodily injury", "property damage" or "environmental damage" first occurs during the "policy period"; and
- (3) The "pollution conditions" were unexpected and unintended from the standpoint of any "responsible insured"; and
- (4) Prior to the "policy period" no insured listed under paragraph **1**. of Section **II**. Who Is An Insured and no "responsible insured" or "employee" authorized by you to give or receive notice of an "occurrence", "pollution condition" or "claim", knew that the "pollution condition" had occurred, in whole or in part.

If such a listed insured, "responsible insured" or authorized "employee" knew, prior to the "policy period", that the "pollution condition" had occurred, then any continuation, change or resumption of such "pollution condition" or related "bodily injury", "property damage" or "environmental damage" during or after the "policy period" will be deemed to have been known prior to the "policy period".

c. All "bodily injury", "property damage" or "environmental damage" arising from a "pollution condition" shall be deemed to take place at the time the first of all such "bodily injury", "property damage" or "environmental damage" occurs, even if the nature and extent of such damage may change; and even though the damage may be continuous, progressive, cumulative, changing or evolving; or there are multiple claimants; and even though the "pollution conditions" causing such damage may be continuous or repeated exposure to substantially the same general harmful condition.

d. A "pollution condition" or series of related "pollution conditions" will be deemed to have been known to have occurred at the earliest time when any insured listed under paragraph **1**. of Section **II** – Who Is An Insured or any "responsible insured" or an "employee" authorized by you to give or receive notice of an "occurrence", "pollution condition" or "claim":

- (1) Reports all, or any particular detail or fact related to the "pollution condition" to us or any other insurer; or

(2) Receives a written or verbal demand or "claim" for damages because of, or related to, the pollution; or

(3) Receives a written or verbal notice that a "pollution condition" has commenced or occurred; or

(4) Becomes aware by any other means that a "pollution condition" or related "bodily injury", "property damage" or "environmental damage" has occurred or has begun to occur.

e. We will pay "environmental response costs" arising from "pollution conditions" caused by "covered operations". "Environmental response costs" must first be incurred by the insured during the "policy period" and the following conditions must be met:

(1) The insured must report all "environmental response costs" to us in accordance with Section **IV**. Conditions, paragraph **2**. Duties in the Event of Occurrence, Pollution Condition, Non-Owned Disposal Site Pollution Condition, Wrongful Act, Offense, Claim or Suit; and

(2) Such "pollution conditions" must be unexpected or unintended from the standpoint of the insured.

2. Exclusions

This insurance does not apply to:

a. Failure To Comply

"Bodily injury", "property damage" or "environmental damage" arising out of any "responsible insured's" intentional, knowing, willful or deliberate failure to comply with any statute, regulation, ordinance, administrative complaint, notice of violation, notice letter, executive order, or instruction of any governmental or public agency.

b. Product Liability

"Bodily injury", "property damage" or "environmental damage" based upon or arising out of the sale, distribution, design or manufacture of a product unless installed as part of "covered operations".

c. Contractual Liability

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

- (1) That the insured would have in the absence of the contract or agreement; or

(2) Assumed in a contract or agreement that is an “insured contract”, provided the “bodily injury”, “property damage” or “environmental damage” occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an “insured contract”, reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of “bodily injury”, “property damage”, or “environmental damage” provided:

- (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same “insured contract”; and
- (b) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

d. Employer's Liability

“Bodily injury” to:

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

This exclusion applies:

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

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

e. Workers' Compensation And Similar Laws

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

f. War

“Bodily injury”, “property damage” or “environmental damage”, however caused, arising, directly or indirectly, out of:

- (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. Waste Facility

Any “claim” at or from any premises, “work site”, or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing, or treatment of waste. This paragraph does not apply to liability you may have at such a site if it is the subject of “your work” for a “pollution condition” that is caused by “your work” and commences or first occurs while “your work” is in progress.

h. Professional Liability

“Bodily injury”, “property damage”, or “environmental damage” arising out of the rendering of or failure to render any “professional services” by or for any insured including:

- (1) The preparing, approving or failure to prepare or approve any maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or
- (2) Supervisory, inspection or engineering services.

This exclusion applies even if the “claims” against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured if the “pollution condition” which cause the “bodily injury” or “property damage”, or “environmental damage” involved that which is described above.

i. Damage To Your Product

“Property damage”, or “environmental damage” to “your product” arising out of it or any part of it.

j. Insured Versus Insured

“Claims” or “suits” brought by any insured against any other insured qualifying as an insured in paragraph 1. of Section II – Who Is An Insured., including all “defense expenses” or damages incurred in connection with such “claims” or “suits” by any insured qualifying as an insured in paragraph 1. of Section II – Who Is An Insured.

k. Damage To Property

"Property damage" or "environmental damage" to:

- (1) Property that you own, rent, or occupy, including any costs or expenses incurred by you or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" or "environmental damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" or "environmental damage" arises out of those operations.

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

l. Electronic Data

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

m. Distribution Of Material In Violation of Statutes

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

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- (3) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

n. Employment Related Practices

"Bodily injury" to:

- (1) Any person arising out of any:
 - (a) Refusal to employ that person; or
 - (b) Termination of that person's employment; or
 - (c) Refusal or failure to give a good reference or the giving of a bad reference of any kind; or
 - (d) Employment related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person.
- (2) The spouse, child, parent or sibling of that person as a consequence of "bodily injury" to that person at whom any of the employment related practices described in paragraphs 1. (a), (b), (c) or (d) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in paragraphs 1. (a), (b), (c) or (d) above occurs before employment, during employment or after employment of that person; and
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the "bodily injury".

o. Work Or Premises Specifically Insured Elsewhere

"Claims", "defense expenses", damages, demands, requests for defense, payment or any other cost arising out of, caused by or occurring at premises or "your work" covered under any insurance purchased by you or others on your behalf specifically for that premises or project under a Consolidated Insurance Program (CIP), Owner-Controlled Insurance Program (OCIP), Contractor-Controlled Insurance Program (CCIP), Wrap-Up or similar insurance program.

p. Expected Or Intended

Any "claim", loss, cost or expense arising from an act or omission that, from the standpoint of the insured, can be reasonably expected to cause "bodily injury", "property damage" or "environmental damage" even if the resulting injury or damage is of a different kind or degree than intended or reasonably expected.

q. Personal And Advertising Injury

"Bodily injury" or "environmental damage" arising out of "personal and advertising injury".

r. Aircraft, Auto Or Watercraft

“Bodily injury”, “property damage” or “environmental damage” arising out of the ownership, maintenance, use or entrustment to others of any aircraft, “auto” or watercraft owned or operated by or rented or loaned to any insured, or others, including contractors, who an insured is held, or alleged to be, responsible for. Use includes operation and “loading or unloading”.

This exclusion applies even if the “claims” against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the “occurrence” which caused the “bodily injury”, “property damage” or “environmental damage” involved the ownership, maintenance, use or entrustment to others of any aircraft, “auto” or watercraft.

This exclusion does not apply to “bodily injury”, “property damage”, or “environmental damage” caused by a “pollution condition” at or emanating from a site where “your work” is being performed.

3. SUPPLEMENTARY PAYMENTS COVERAGE D – CONTRACTORS’ POLLUTION LIABILITY

We will pay, with respect to any “claim” we investigate or settle, or any “suit” against an insured we defend:

- a. All expenses we incur.
- b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which this Coverage D applies. We do not have to furnish these bonds.
- c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the “claim” or “suit”, including actual loss of earnings up to \$250 a day because of time off from work.
- e. All court costs taxed against the insured in the “suit”. However, these payments do not include attorneys’ fees or attorneys’ expenses taxed against the insured.
- f. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These Supplementary Payments will not reduce the limits of insurance.

COVERAGE E CONSULTANTS’ PROFESSIONAL LIABILITY

This is a Claims Made and Reported Coverage. “Defense expenses” are within the limit of insurance shown in the Declarations.

1. Insuring Agreement

- a. We will pay on behalf of the insured, those sums that the insured is legally obligated to pay as damages directly resulting from a “wrongful act” to which this insurance applies. We will have the right and duty to defend the insured against any “suit” seeking those damages.

However, we will have no duty to defend the insured against any “suit” to which this insurance does not apply. We may, at our discretion, investigate, any “wrongful act” and settle any “claim” or “suit” that may result. But:

- (1) The amount we will pay for any combination of “defense expenses” and damages is limited as described in Section III – Limits of Insurance and Deductibles; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance alone or in any combination in the payment of:
 - (a) Judgments or settlements under Coverages A, B, D, E, or F; and
 - (b) “Clean-up costs” under Coverage D, E, or F; and
 - (c) “Defense expenses” under Coverage E, or F; and
 - (d) Medical Payments under Coverage C.
- b. This insurance applies to damages and “defense expenses” only if:
 - (1) The “wrongful act” takes place in the “coverage territory”; and
 - (2) The “wrongful act” arises out of covered “professional services”; and
 - (3) The “wrongful act” occurred on or after the Consultants’ Professional Liability Retroactive Date, if any, shown in the Declarations and prior to the end of the “policy period”; and
 - (4) Prior to the “policy period” no insured listed under paragraph 1. of Section II – Who Is An Insured, and no “responsible insured” or “employee” authorized by you to give or receive notice of a “claim” or “wrongful act” had knowledge of a “wrongful act” which occurred prior to the Effective Date of this policy unless:
 - (a) This policy is a renewal and you reported, in writing, the “wrongful act”, or suspected “wrongful act” under a previous policy issued by us; or

(b) You reported the “wrongful act” or suspected “wrongful act” to us prior to the effective date shown in the Declarations; and

- i We have acknowledged in writing that a “claim” arising out of that “wrongful act” may be covered, subject to all the remaining terms and conditions of this policy; and
- ii Have issued an endorsement to this policy excepting this condition of prior knowledge for potentially covered claims arising out of that “wrongful act” or alleged “wrongful act”; and

(5) A “claim” for damages is:

- (a) First made against an insured during the “policy period”, or within any Extended Reporting Period we may provide under the terms and conditions of Section V – Extended Reporting Period Coverage E Consultants’ Professional Liability, if applicable, and
- (b) Is reported in writing to us promptly during the “policy period” or within the Extended Reporting Period we provide under Section V – Extended Reporting Period Coverage E Consultants’ Professional Liability, if applicable. Notice of a “wrongful act” is not notice of a “claim”.

A “claim” is deemed first made against the insured when the insured first receives notice of it. A “claim” is deemed reported to us on the date we receive written notice of it.

All “claims” for damages to the same person or organization, including damages claimed by any person or organization for care, loss of services, or death will be deemed to have been made at the time the first of these “claims” is made against any insured.

2. Exclusions

This insurance does not apply to:

a. Expected Or Intended Injury

“Claims”, “defense expenses”, or damages arising out of “professional services” rendered by or for the insured that, from the standpoint of the insured, could be reasonably expected to cause damage or damages of any kind.

This exclusion applies even if the damage or damages are of a different kind or degree than intended or originally expected.

b. Contractual Liability

“Claims”, “defense expenses”, or damages arising out of liability the insured has assumed in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

c. Prior Claims

“Claims” that were reported under any policy in force prior to this policy.

d. Criminal, Dishonest, Fraudulent, Malicious Or Intentional Acts

“Claims”, “defense expenses”, or damages arising out of any criminal, dishonest, fraudulent, malicious, or intentional act or omission, or those of a knowingly wrongful nature committed intentionally by or at the direction of the insured.

e. Failure To Comply

“Claims”, “defense expenses” or damages arising out of any “responsible insured’s” intentional, knowing, willful or deliberate failure to comply with any statute, regulation, ordinance, administrative complaint, notice of violation, notice letter, executive order, or instruction of any governmental or public agency.

f. Discrimination

“Claims”, “defense expenses”, or damages arising in whole or in part out of any discrimination by the insured on the basis of race, creed, color, national origin, disability, age, marital status, gender or sexual orientation.

g. Other Interests

“Claims”, “defense expenses”, or damages:

- (1) Arising out of or based upon any insured’s involvement as a partner, officer, director, stockholder, employer or “employee” of any business enterprise not named in the Declarations of this policy; or
- (2) Brought by an entity, agent, “employee”, partner, shareholder, subrogee or assignee of any entity that is either wholly or partially owned by an insured, or wholly or partly owns an insured.

h. Workers’ Compensation And Similar Laws

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

i. Employer’s Liability

“Claims”, “defense expenses”, or damages from:

- (1) An “employee” of the insured arising out of and in the course of:
 - (a) Employment by the insured; or

(b) Performing duties related to the conduct of the insured's business; or

(2) The spouse, child, parent, brother or sister of that "employee" as a consequence of paragraph (1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

j. Products Liability

"Claims", "defense expenses" or damages arising in whole or in part out of any goods or products sold, designed, manufactured, distributed, repaired or furnished by any insured or any entity operating pursuant to a lease or license granted by an insured.

k. Infringement of Copyright, Patent, Trademark Or Trade Secret

"Claims", "defense expenses", or damages arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights.

l. Insurance, Surety And Financing

"Claims", "defense expenses" or damages arising out of or based upon any insured's acts, errors or omissions with regard to the requiring of, or failure to require or advise, or failure to maintain or procure any form, type or amount of insurance, surety bond or financing of any kind.

m. Express Warranties Or Guarantees

"Claims", "defense expenses", or damages arising out of or based upon any express warranties or guarantees, provided that this exclusion shall not apply if damages would have occurred in the absence of such express warranties or guarantees. Furthermore, this exclusion shall not apply to any determination by the insured of the presence or absence of "pollutants".

n. War

"Claims", "defense expenses", or damages arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war; or
- (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.

o. Insured Versus Insured

"Claims" or "suits" brought by any insured against any other insured qualifying as an insured in paragraphs 1 of Section II – Who Is An Insured., including all "defense expenses" or damages incurred in connection with such "claims" or "suits" by any insured qualifying as an insured in paragraphs 1. of Section II – Who Is An Insured.

p. Work Or Premises Specifically Insured Elsewhere

"Claims", "defense expenses", damages, demands, requests for defense, payment or any other cost arising out of, caused by or occurring at premises or "your work" covered under any insurance purchased by you or others on your behalf specifically for that premises or project under a Consolidated Insurance Program (CIP), Owner-Controlled Insurance Program (OCIP), Contractor-Controlled Insurance Program (CCIP), Wrap-Up or similar insurance program.

q. Fines And Penalties

"Claims", "defense expenses", or damages arising out of or based upon any fines, penalties, or statutory assessments levied against any insured.

r. Bankruptcy Or Insolvency

"Claims", "defense expenses", or damages arising out of or based upon the bankruptcy, insolvency, or failure to pay debt of any kind by any insured or any other person or organization.

s. Nuclear Energy

"Claims", "defense expenses", or damages arising out of or based upon the radioactive, toxic or explosive properties of "nuclear material" and for which the insured is indemnified by the United States Department of Defense, United States Department of Energy, or any other governmental authority, or for which the insured is provided protection under the Price Anderson Act.

t. Aircraft, Auto Or Watercraft

"Claims", "defense expenses", or damages arising out of the ownership, operation, maintenance, use or "loading or unloading" of any aircraft, "auto", watercraft or "mobile equipment" of any kind which is owned, operated, rented by or loaned to any insured.

u. Waste Facility

"Claims", "defense expenses" or damages based upon or arising out of any wastes, products or materials which have been delivered to a "waste facility" beyond the boundaries of a site at which "your work" is being performed.

v. Damage To Property

“Claims”, “defense expenses”, or damages based upon or arising out of any “professional services” rendered in relation to:

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

b. We may, at our discretion, investigate any “non-owned disposal site pollution condition” and settle any “claim” or “suit” that may result. But:

- (1) The amount we will pay for any combination of “defense expenses”, “clean-up costs” and damages is limited as described in Section III – Limits of Insurance and Deductibles; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance alone or in any combination in the payment of:
 - (a) Judgments or settlements under Coverage, **A, B, D, E, or F**; and
 - (b) “Clean-up costs” under Coverage **D, E, or F**; and
 - (c) “Defense expenses” incurred under Coverages **E, or F**.; and
 - (d) Medical payments under Coverage **C**.

No other obligation to pay sums or perform services is covered.

c. This insurance applies to “bodily injury”, “property damage” or “clean-up costs” only if:

- (1) A “responsible insured” first becomes aware of such “non-owned disposal site pollution condition” during the “policy period”; and
- (2) A “claim” for such “non-owned disposal site pollution condition” is first made against the insured and is reported to us in writing during the “policy period”, or within ninety (90) days of the end of the policy period; and
- (3) The “non-owned disposal site pollution condition” first commenced on or after the “Non-Owned Disposal Site” retroactive date shown in the Declarations; and
- (4) The “non-owned disposal site pollution condition” must be unexpected and unintended from the standpoint of any “responsible insured”; and
- (5) The “non-owned disposal site” neither is or was the subject of “your work” intended to, clean up, stabilize or otherwise remediate “environmental damage”; and
- (6) You had not accepted title to any waste or materials from a job owner that were disposed of at the “non-owned disposal site”; and
- (7) All waste or other materials that were disposed of:
 - (a) Were, at the time of disposal, properly manifested and packaged according to “environmental law”; and
 - (b) You can produce such manifest(s) at the time any “claim” is made; and
- (8) Where required, the “non-owned disposal site pollution conditions” have been reported to the

COVERAGE F - NON-OWNED DISPOSAL SITE POLLUTION LIABILITY

This is a Claims Made and Reported Coverage. “Defense expenses” are within the limit of insurance shown in the Declarations.

1. Insuring Agreement

a. We will pay on behalf of the insured those sums that the insured is legally obligated to pay because of “claims” and “defense expenses” to which this insurance applies for:

- (1) Damages claimed for “bodily injury” or “property damage” resulting from a “non-owned disposal site pollution condition” on, under or migrating from a “non-owned disposal site”; and
- (2) “Clean-up costs” resulting from “non-owned disposal site pollution condition” on, under or migrating away from a “non-owned disposal site”.

We will have the right and duty to defend the insured against any “suit” seeking such damages.

However, we will have no duty to defend the insured against any “suit” seeking damages to which this insurance does not apply.

appropriate governmental agency in compliance with applicable “environmental laws”; and

- (9) At the time the material or waste is disposed of, transferred, stored, or otherwise located at the “non-owned disposal site”, such “non-owned disposal site”:

(a) Was permitted to accept such material or waste and the insured possessed documentation that the “non-owned disposal site” was in full compliance with all “environmental laws”; and

(b) Was not on, or proposed to be on or included in, a National Priorities List or Superfund Database, or a state or local equivalent of such; and

(c) Was not subject to, or proposed to be subject to, any federal, state, provincial, commonwealth, or local enforcement action or other proceeding where a “recognized environmental condition” was noted or alleged to exist; and

(d) Was not subject to any pending “claim”, “suit”, enforcement action or consent order seeking indemnity, “clean-up costs” or any other action in response to a “recognized environmental condition”; and

(e) At the time of any “claim” made under this coverage, the insured can and does produce and provide to us the documentation required by this paragraph (9) (a) through (d).

- d. All “bodily injury”, “property damage” or “clean-up costs” resulting from “non-owned disposal site pollution conditions” shall be deemed to have taken place at the time the first of all such “non-owned disposal site pollution conditions” occur, even if the nature and extent of such “non-owned disposal site pollution conditions” may change; and even though the “non-owned disposal site pollution conditions” may be continuous, progressive, cumulative, changing, evolving, or there are multiple claimants.

2. Exclusions

This insurance does not apply to:

a. Fines, Penalties or Assessments

Any fines, penalties or assessments made against any insured.

However, this exclusion does not apply to “clean-up costs” assessed against an insured due to a “non-owned disposal site pollution condition” to which this insurance applies.

b. Contractual Liability

“Clean-up costs”, “bodily injury” or “property damage” for which the insured is obligated to pay

damages by reason of the assumption of liability in a contract or agreement.

This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

c. Failure to Comply

“Clean-up costs”, “bodily injury” or “property damage” arising out of any insured’s intentional, knowing, willful or deliberate failure to comply, with any statute, regulation, ordinance, “environmental law”, administrative complaint, notice of violation, notice letter, executive order, or instruction of any governmental or public agency or body.

d. Expected or Intended

Any “non-owned disposal site pollution condition”, arising out of an act or omission that, from the standpoint of a “responsible insured”, could be reasonably expected to cause “clean-up costs”, “bodily injury” or “property damage” even if the resulting injury or damage is of a different kind or degree than intended or reasonably expected.

e. Waste Facilities

Any “pollution condition” arising out of any property or other premises which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of wastes.

However, this exclusion does not apply to a “non-owned disposal site pollution condition”.

f. Insured Expenses

Any costs, charges or expenses incurred by the insured for goods supplied or services performed by any “employee” of the insured, or its parent, subsidiary or affiliates.

g. War

“Clean-up costs”, “bodily injury” or “property damage”, however caused, directly or indirectly, arising out of:

- (1) War, including declared or undeclared civil war; or
- (2) War-like 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.

h. Employer's Liability

"Bodily injury" to:

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

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

i. Workers' Compensation and Similar Laws

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

j. Radioactive Material

- (1) "Clean-up costs", "bodily injury", "property damage", "environmental damage" resulting from the radioactive, toxic or explosive properties of "nuclear material"; and with respect to which:
 - (a) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or
 - (b) The insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
- (2) Resulting from the radioactive, toxic or explosive properties of "nuclear material", "nuclear waste" or any radioactive substance.

k. Insured Versus Insured

"Claims" or "suits" brought by any insured against any other insured qualifying as an insured in paragraph 1. of Section II – Who Is An Insured, including all "defense expenses" or damages incurred in connection with such "claims".

l. Divested Property

Any "claims" arising out of property of any kind which the insured sells, gives away, donates, abandons, terminates the lease, or relinquishes operational or management control prior to the effective date shown in the Declarations or during the "policy period".

SECTION II - WHO IS AN INSURED**1. If you are designated in the Declarations as:**

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

2. Each of the following is also an insured:

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

However, none of these "employees" or "volunteer workers" are insureds for:

- (1) "Bodily injury" or "personal and advertising injury":
 - (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your "volunteer workers" while performing duties related to the conduct of your business; or
 - (b) To the spouse, child, parent or sibling of that co-"employee" or "volunteer worker" as a consequence of paragraph (1) (a) above; or
 - (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury

described in paragraphs (1)(a) or (1)(b) above; or

(d) Arising out of his or her providing or failing to provide professional health care services.

(2) "Property damage" or "environmental damage" to property:

(a) Owned, occupied or used by, or

(b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;

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

b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

c. Any person or organization having proper temporary custody of your property if you die, but only:

(1) With respect to liability arising out of the maintenance or use of that property; and

(2) Until your legal representative has been appointed.

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

a. Coverage under this provision is afforded only until the 90th day after you acquire or form such organization, or until the end of the "policy period", whichever is earlier;

b. Coverage does not apply to "bodily injury", "property damage" or "environmental damage" that occurred before you acquired or formed the organization; and

c. Coverage does not apply to "personal and advertising injury" or "claims" arising out of an offense committed before you acquired or formed the organization.

4. Automatic Status When Required In Written Agreement With You

a. Your customer is an additional insured when required by a written contract or agreement between you and your customer under coverages **A**, **B** and **D** but only for damages and "defense expenses" caused, in whole or in part, by:

(1) Your acts or omissions; or

(2) The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for your additional insured customer.

However, the insurance afforded to such additional insured:

(1) Only applies to the extent permitted by law; and

(2) Will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

Your customer's status as an additional insured under this endorsement ends when your operations for that additional insured are completed or that portion of "your work", out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

b. The following exclusions apply to the insurance afforded your additional insured customer.

This insurance does not apply to:

(1) Damages or "defense expenses" arising out of or caused by a "wrongful act"; or

(2) "Bodily injury", "property damage", "personal and advertising injury" or "environmental damage" occurring after:

(a) All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured customer at the location of the "covered operations" has been completed; or

(b) That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project; or

(3) "Bodily injury", "property damage", "personal and advertising injury" or "environmental damage" arising out of the rendering of, or the failure to render, any professional architectural, engineering or surveying services, including:

(a) The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or

(b) Supervisory, inspection, architectural or engineering activities.

This exclusion applies even if the "claims" against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" or "pollution condition" which caused the "bodily injury", "property damage", or "environmental damage", or the offense which caused the "personal and advertising injury", involved the rendering of or the failure to render any professional architectural, engineering or surveying services.

- c. With respect to the insurance afforded to any insured, no person or organization is an insured for "bodily injury", "property damage", "personal and advertising injury" or "environmental damage", damages, or "defense expenses" as a result of that person or organization's sole negligence.
- d. The coverage provided by this insurance to any additional insured customer shall in no event be broader than that provided to the Named Insured. To the extent that coverage under any part of this policy is unavailable to you for any reason, such coverage is also unavailable to any additional insured customer.

SECTION III - LIMITS OF INSURANCE AND DEDUCTIBLES

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds; or
 - b. "Claims" made or "suits" brought; or
 - c. Persons or organizations making "claims" or bringing "suit"; or
 - d. Coverages applicable.
2. The General Aggregate Limit shown in the Declarations is the most we will pay for the sum of:
 - a. Medical expenses under Coverage C;
 - b. Damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard" of Coverage A; and
 - c. Damages under Coverage B.; and
 - d. Damages, "environmental response cost" and "clean-up costs" under Coverage D and
 - e. Damages and "defense expenses" under Coverage E; and
 - f. Damages, "clean-up costs" and "defense expenses" under Coverage F.
3. The Products-Completed Operations Aggregate Limit shown in the Declarations is the most we will pay under Coverage A for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard" in Coverage A.
4. Subject to paragraph 2. above, the Personal and Advertising Injury Limit shown in the Declarations is the most we will pay under Coverage B for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
5. Subject to paragraph 2. or 3. above, whichever applies, the Each Occurrence Limit shown in the Declarations is the most we will pay for the sum of:
 - a. Damages under Coverage A; and
 - b. Medical expenses under Coverage C.
6. Subject to paragraph 2. above, the Contractors' Pollution Liability Each Pollution Condition Limit shown in the Declarations is the most we will pay under Coverage D for the sum of all damages and "clean-up costs" because of all "bodily injury", "property damage", "environmental damage" and "environmental response costs" arising out of one or a series of related "pollution conditions".
7. Subject to paragraph 2. above, the Consultants' Professional Liability Each Wrongful Act Limit shown in the Declarations is the most we will pay under Coverage E for the sum of all damages, settlements, and "defense expenses" because of a "wrongful act" or a series of related "wrongful acts".
8. Subject to paragraph 2. above, the Non-Owned Disposal Site Each Non-Owned Disposal Site Pollution Condition Limit shown in the Declarations is the most we will pay under Coverage F for the sum of all damages, settlements or expenses because of "bodily injury", "property damage", "environmental damage", "natural resource damage", "clean-up costs" and "defense expenses" arising out of one, or a series of related "non-owned disposal site pollution conditions".
9. Subject to paragraph 5. above, the Damage To Premises Rented To You Limit shown in the Declarations is the most we will pay under Coverage A for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
10. Subject to paragraph 5. above, the Medical Expense Limit shown in the Declarations is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.
11. The Limits of Insurance of this policy apply to all obligations we have under this policy irrespective of the length of time the policy is in force. The limits are not reinstated annually for a policy issued for multiples of one year, or for any policy issued for a term greater than twelve months. Should this policy be extended for any reason after it is issued, the Limits of Insurance shown in the Declarations apply to the entire period the policy remains in force. Limits of insurance are not reinstated, augmented, increased or decreased, in any way, due to changes in the "policy period" shown in the Declarations.

12. If any Coverage Form, Coverage Part, Coverage or policy issued to you by us or any company affiliated with us apply to the same "suit" or "claim" for damages, the maximum Limit of Insurance for Liability Coverage under all of the Coverage Forms, Coverage Parts, Coverages or policies shall not exceed the highest applicable Limit of Insurance available under any one Coverage Form, Coverage Part, Coverage or policy.

This provision would not apply to any Coverage Part, Coverage Form, Coverage or policy issued by us or an affiliated company specifically to apply as excess insurance over this policy.

13. Deductible(s)

a. **PER CLAIM BASIS:** If the applicable deductible amount(s) shown in the Declarations is on a per "claim" basis it is possible that more than one deductible amount will be owed for a single event, "suit" or cause of action. The deductible amount applies in full for damages, "clean-up costs" and "defense expenses" for each individual person and each organization making a "claim" against any insured for damages sustained because of:

- (1) "Bodily injury"; or
- (2) "Property damage"; or
- (3) "Personal and advertising injury"; or
- (4) "Environmental Damages"; or
- (5) "Clean-up costs"; or
- (6) "Natural resource damages"; or
- (7) "Defense expenses"; or
- (8) "Wrongful act"; or
- (9) Any other damages or causes of action.

b. **EACH EVENT BASIS:** If the applicable deductible amount(s) shown in the Declarations is on an Each Event basis, that deductible amount applies to all "claims" arising out of a single "non-owned disposal site pollution condition" under Coverage G or all "claims" arising out of one or a series of concurrent or causally related:

- (1) "occurrences" under Coverage A; and
- (2) offenses under Coverage B; and
- (3) "pollution conditions" under Coverage D; and
- (4) "wrongful acts" under Coverage E.

c. The terms of this insurance, including those with respect to:

- (1) Our right and duty to defend the insured against any "suits" seeking those damages; and
- (2) Your duties in the event of an "occurrence", "claim" or "suit"

apply irrespective of the application of the deductible amount.

We may pay any part of or all of the deductible amount to effect settlement of any "claim" or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

SECTION IV - CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this policy, except as provided in Coverage E, paragraph 2. Exclusions, r. Bankruptcy or Insolvency.

2. Duties In The Event Of Occurrence, Pollution Condition, Non-Owned Disposal Site Pollution Condition, Wrongful Act, Offense, Claim Or Suit

a. You must see to it that we are notified as soon as practicable of an "occurrence", "pollution condition", "non-owned disposal site pollution condition", a "wrongful act" an offense or "environmental damage" which may result in a "claim". To the extent possible, notice should include:

- (1) How, when and where the "occurrence", "pollution condition", "non-owned disposal site pollution condition", "wrongful act", offense or "environmental damage" took place; and
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence", "pollution condition", "non-owned disposal site pollution condition", "wrongful act", offense or "environmental damage".

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

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

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

c. You and any other involved insured must:

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

- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.
- e. You must promptly reimburse us for any deductible we have advanced or paid.

3. Legal Action Against Us

No person or organization has a right under this policy:

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

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

4. Other Insurance

If other valid and collectible insurance is available to the Insured for a loss we cover under Coverage A, Coverage B, Coverage D, Coverage E, or Coverage F of this policy, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when paragraph b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in paragraph c. below.

b. Excess Insurance

(1) This insurance is excess over:

- (a) Any of the other insurance, whether primary, excess, contingent or on any other basis:
 - i. That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work"; or
 - ii. That is Fire insurance for premises rented to the insured or temporarily occupied by the insured with permission of the owner; or
 - iii. That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or

- iv. If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g., Section I – Coverage A.

(b) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured by attachment of an endorsement.

(2) When this insurance is excess, we will have no duty to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

(3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (b) The total of all Deductible and Self-Insured amounts under all that other insurance.

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

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

d. Contract Requirement

When required by a written contract, it is agreed that the insurance provided under this policy shall be primary and non-contributory, but only with respect to liability for “bodily injury”, “property damage”, “personal and advertising injury”, and “environmental damage” caused, in whole or in part, by:

- (1) The Named Insured’s acts or omissions; or
- (2) The acts or omissions of those acting on the Named Insured’s behalf;

in the performance of the Named Insured’s ongoing operations for such written contract.

5. Premium Audit

- a. We will compute all premiums for this policy in accordance with our rules and rates.
- b. Premium shown in this policy as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the “policy period” is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we require for premium computation, and send us copies at such times as we may request.
- d. Any premium to be returned under paragraph b. above is subject to the minimum premium shown in the Declarations page as applicable to this coverage.

6. Representations

By accepting this policy, the insured agrees:

- a. The statements in the Declarations and the applications attached to the policy are accurate and complete;
- b. Those statements are based upon representations you made to us in the application which is part of this policy; and
- c. We have issued this policy in reliance upon the insured’s representations.

7. Separation Of Insureds

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

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

8. Transfer Of Rights Of Recovery Against Others To Us

- a. If the insured has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring “suit” or transfer those rights to us and help us enforce them.
- b. When required by a written contract, we waive any right of recovery we may have against the person or organization party to such written contract because of payments we make for injury or damage arising out of the insured’s ongoing operations or “your work” done under such written contract with that person or organization and included in the “products - completed operations hazard”.

9. Selection of Counsel

In the event the insured is entitled by law to select independent counsel to defend a “suit” at our expense, the attorneys’ fees and all other litigation expenses we must pay to that counsel are limited to the rates and payment schedules we actually pay to counsel we retain in the ordinary course of business in the defense of similar “claims” or “suits” in that jurisdiction.

We may exercise the right to require that such counsel have certain minimum qualifications with respect to their competency including experience in defending “claims” or “suits” similar to the one pending against the insured and to require such counsel to have errors and omissions insurance coverage. As respects such counsel, the insured agrees that counsel will timely respond to our requests for information regarding the “claim” or “suit”. Furthermore, the insured may at any time freely and fully waive these rights to select independent counsel as evidenced by a signed waiver.

SECTION V - EXTENDED REPORTING PERIOD – COVERAGE E CONSULTANTS’ PROFESSIONAL LIABILITY

1. We will provide one or more Extended Reporting Periods, as described below, if:
 - a. The coverage provided under Coverage E is cancelled or not renewed for any reason except for non-payment of premium material misstatements on an insurance application or failure to cooperate; or
 - b. We renew or replace the coverage provided under Coverage E with insurance that:
 - (1) Has a Retroactive Date later than the date shown in the Declarations as applicable to Coverage E; or
 - (2) Does not apply to Coverage E on a “claims” made and reported basis.

2. Extended Reporting Periods do not extend the “policy period” or change the scope of coverage provided. They apply only to “claims” arising out of:

“Wrongful acts” that occur before the end of the “policy period” but not before the Retroactive Date, if any, shown in the Declarations if Coverage **E** is provide by this policy.

Once in effect, Extended Reporting Periods may not be cancelled.

3. A Basic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the “policy period” and lasts for sixty (60) days. The Basic Extended Reporting Period does not apply to “claims” that are covered under any subsequent insurance the insured purchases, or that would be covered, but for exhaustion of the amount of insurance applicable to such “claims”.
4. One of two possible Supplemental Extended Reporting Periods is available. One or the other, but never both, must be selected as described below prior to the expiration of this policy.
- a. A 60-Month Supplemental Extended Reporting Period is available, but can be obtained only if an endorsement is issued by us and the insured pays an extra charge equal to 200% of this policy's premium. The insured must give us a written request for the endorsement sixty (60) days prior to the expiration of this policy. The 60-Month Supplemental Extended Reporting Period will not go into effect unless the insured pays the additional premium in full prior to the expiration or termination date of this policy. This endorsement shall set forth the terms, not inconsistent with this section, applicable to the 60-Month Supplemental Extended Reporting Period. Insurance afforded for “claims” first received during the 60-Month Supplemental Extended Reporting Period is excess over any other valid and collectible insurance available under policies in force after the 60-Month Supplemental Extended Reporting Period starts. This 60-Month Supplemental Extended Reporting Period starts when the Basic Extended Reporting Period, set forth in **3.** above, ends; or
- b. A 10 -Year Supplemental Extended Reporting Period is available, but can be obtained only if an endorsement is issued by us and the insured pays an extra charge equal to no less than 450% of this policy's premium. The first named insured must give us a written request for the endorsement sixty (60) days prior to the expiration of this policy and submit to underwriting. The 10-Year Supplemental Extended Reporting Period will not go into effect unless the insured pays the additional premium in full prior to the expiration or termination date of this policy. This endorsement shall set forth the terms, not inconsistent with this section, applicable to the

10 -Year Supplemental Extended Reporting Period. Insurance afforded for “claims” first received during the 10 -Year Supplemental Extended Reporting Period is excess over any other valid and collectible insurance available under policies in force after the 10 -Year Supplemental Extended Reporting Period starts. This 10 -Year Supplemental Extended Reporting Period starts when the Basic Extended Reporting Period, set forth in **3.** above, ends.

5. The Basic Extended Reporting Period does not reinstate or increase the Limits of Insurance.
6. The 60-Month Supplemental Extended Reporting period does not reinstate or increase the Limits of Insurance.
7. The 10 -Year Supplemental Extended Reporting period does not reinstate or increase the Limits of Insurance.

SECTION VI - DEFINITIONS

1. **Above-ground storage tank** means any tank(s), and associated piping:
- that has more than 90% of its volume sitting on or above the ground's surface or
 - sitting on or above the floor of any above-ground structure, or
 - that is located in the basement of any structure that is above ground level of that basement, cellar or tunnel.
2. **Advertisement** means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
- Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an “advertisement”.
3. **Auto** means:
- A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
 - Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.
- However, “auto” does not include “mobile equipment”.
4. **Bodily Injury** means “bodily injury”, sickness or disease sustained by a person, including mental anguish, emotional distress or death resulting from any of these at any time.

5. **Claim** means a written or oral demand against the insured seeking damages to which this insurance applies.
6. **Clean-Up Costs** means reasonable and necessary expenses incurred for the investigation, removal, remediation (including associated monitoring), restoration, or disposal of soil, surface-water or groundwater or other contamination:
- To the extent required by applicable environmental laws, or specifically mandated by court order, the government or any political subdivision or agency of the United States of America or any state or municipality thereof, or Canada or any province thereof; or
 - Which have actually been incurred by the government or any political subdivision or agency of the United States of America or any state or municipality thereof, or Canada or any province thereof, or by any third parties; or
 - "Environmental response costs".
7. **Coverage Territory** means:
- The United States, its territories or possessions, Puerto Rico and Canada; or
 - International waters or airspace, but only if the injury or damage occurs in the course of travel or transit between any places included in **a.** above; or
 - All other parts of the world if the injury or damage arises out of:
 - Goods or products made or sold by the insured in the territory described in **a.** above; or
 - The activities of a person whose home is in the territory described in **a.** above, but is away for a short time on the insured's business; or
 - "Personal and advertising injury" offenses that take place through the internet or similar electronic means of communication;

provided that the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in **a.** above or in a settlement we agree to.
8. **Covered Operations** means activities and services, as set forth in the application attached to this policy, or other services as specifically defined by endorsement to this policy, performed for a third party for a fee by or on behalf of the Named Insured at a job site.
9. **Defense Expenses** means costs of investigation, adjustment and defense of "claims" and "suits" which are authorized by us. "Defense expenses" shall not include:
- Expenses of our salaried "employees", salaries of any insured's "employees" or either our or your office expenses or
 - Attorneys' fees or attorneys' expenses taxed against the insured.
10. **Electronic Data** means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.
11. **Employee** includes a "leased worker", a "temporary worker", and a "volunteer worker".
12. **Environmental Damage** means physical damage to soil, surface water, groundwater, or plant or animal life, caused by "pollution conditions" and giving rise to "clean-up costs" or "natural resource damages". "Environmental damage" does include all forms of radioactive contamination to property.
13. **Environmental law** means the most stringent of any federal, state, tribal, provincial or local laws (including but not limited to, statutes, rules, regulations, ordinances, guidance documents, and governmental, judicial or administrative orders and directives) that are applicable to "pollution conditions".
14. **Environmental Response Costs** means reasonable and necessary expenses incurred in the remediation of soil, surface-water, groundwater or other contamination that must be incurred:
- In response to any "pollution condition" that requires immediate action for the safety of persons or property; and
 - Within seventy-two (72) hours of the commencement of such "pollution conditions", or as approved by us in writing; and
 - Utilizing a third-party emergency response contractor not affiliated with any insured.
15. **Executive Officer** means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
16. **Hostile Fire** means any fire which becomes uncontrollable or breaks from its intended confines.
17. **Impaired Property** means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
- It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - The insured has failed to fulfill the terms of a contract or agreement;
- if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.
18. **Injurious presence** means a dangerous condition created by the failure, or alleged likely failure, of one or more systems or means of treatment or containment to protect the environment, people or property from "pollutants".

19. Insured Contract means

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b. A sidetrack agreement;
- c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury", "property damage", or "environmental damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

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

- (1) That indemnifies a railroad for "bodily injury", "property damage" or "environmental damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
- (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render "professional services", including those listed in b. above and supervisory, inspection, architectural or engineering activities.
- (4) That indemnifies another for the sole negligence of such other person or organization.

20. Leased Worker means a person leased to the insured by a labor leasing firm under an agreement between the insured and the labor leasing firm, to perform duties related to the conduct of the insured's business. "Leased worker" does not include a "temporary worker".

21. Loading or Unloading means the handling of property:

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
- b. While it is in or on an aircraft, watercraft or "auto"; or
- c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered; but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

22. Mobile Equipment means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises the insured owns or rents;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in paragraph a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2) Cherry pickers and similar devices used to raise or lower workers.

f. Vehicles not described in paragraph a., b., c. or d. above maintained primarily for purposes other than the "transportation" of persons or cargo. However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

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

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

23. Natural Resource Damages means physical injury to or destruction of, including the resulting loss of value of, land, fish, wildlife, biota, air, water, groundwater, drinking water supplies, and other such resources belonging to, managed by, held in trust by, appertaining to, or otherwise controlled by the United States, any state or municipal government or agency, any foreign government, any Indian tribe, or, if such resources are subject to a trust or restriction on alienation, any member of any Indian tribe.

24. Non-owned disposal site means a "waste facility" that is not owned or occupied by any insured.

However, unless specifically approved by us in writing as evidenced by an endorsement attached to this policy showing the name and exact physical location, a "non-owned disposal site" does not include any premises, site or location that, prior to the inception of this policy:

- a. Was on, or proposed to be on or included in, a National Priorities List or Superfund Database or a state or local equivalent of such; or
- b. Was subject to, or proposed to be subject to, any federal, state, provincial, commonwealth, or local enforcement action or other proceeding where a "recognized environmental condition" was noted or alleged to exist; or

c. Was subject to any pending "claim", "suit", enforcement action or consent order seeking indemnity, "clean-up costs" or any other action in response to a "recognized environmental condition".

25. Non-owned disposal site pollution condition means the "injurious presence" of waste generated by "your work" disposed of, or deposited by, an insured, or someone acting on behalf of an insured, at a "non-owned disposal site".

26. Nuclear Facility means:

- a. Any site containing an apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;
- b. Any equipment or device designed or used for:
 - (1) Separating the isotopes of uranium or plutonium; or
 - (2) Processing or utilizing "spent nuclear fuel"; or
 - (3) Handling, processing or packaging "nuclear waste";
- c. Any equipment or device used for the processing, fabricating or alloying of special nuclear material as defined in the Atomic Energy Act of 1954 or in any law amendatory thereof, if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
- d. Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "nuclear waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

27. Nuclear Material means source material, special nuclear material or by-product material as defined in the Atomic Energy Act of 1954 or in any law amendatory thereof.

28. Nuclear Waste means any waste material:

- a. Containing by-product material, as defined in the Atomic Energy Act of 1954 or in any law amendatory thereof, other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its source material, as defined in the Atomic Energy Act of 1954 or in any law amendatory thereof, content; and
- b. Resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

29. Occurrence means an accident, including continuous or repeated exposure to substantially the same general harmful conditions. All “bodily injury” or “property damage” arising out of an “occurrence” or series of related “occurrences” is deemed to take place at the time of the first such damage or injury even though the nature and extent of such damage or injury may change; and even though the damage may be continuous, progressive, cumulative, changing or evolving; and even though the “occurrence” causing such “bodily injury” or “property damage” may be continuous or repeated exposure to substantially the same general harmful conditions.

30. Personal and Advertising Injury means injury, including consequential “bodily injury”, arising out of one or more of the following offenses:

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

31. Policy Period means the period set forth in the Declarations, or any shorter period arising as a result of cancellation of this policy.

32. Pollutant means any solid, liquid, gaseous, biological or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

33. Pollution Condition means the discharge, dispersal, release or escape of any “pollutant”, provided such conditions are not naturally present in the environment in the concentrations or amounts discovered, unless such natural conditions are released or dispersed as a result of the performance of “covered operations”, and such release or dispersal is unexpected and unintended from the standpoint of the insured.

34. Products-Completed Operations Hazard

- a. Includes all “bodily injury” and “property damage” occurring away from premises you own or rent and arising out of “your product” or “your work” except:
 - (1) Products that are still in your physical possession; or

(2) Work that has not yet been completed or abandoned. However, “your work” will be deemed completed at the earliest of the following times:

- (a) When all of the work called for in the Insured's contract has been completed.
- (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
- (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

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

b. Does not include “bodily injury” or “property damage” arising out of:

- (1) The “transportation” of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the “loading or unloading” of that vehicle by any insured;
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
- (3) Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products-completed operations are subject to the General Aggregate Limit.

35. Professional Services means those architectural, engineering, consulting, project management or construction management services, as set forth in the application attached to this policy, or other services as specifically defined by endorsement to this policy, that are performed for a fee by or on behalf of the Named Insured.

36. Property Damage means:

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

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

37. Recognized environmental condition means the actual or alleged threat, or imminent threat, of the “injurious presence” of “pollutants”.

38. Responsible Insured means:

- a. The manager or supervisor of the insured responsible for environmental affairs, control or compliance, or
- b. Any manager, member, officer, director or partner of the insured.

39. Restoration means reasonable and necessary costs incurred by the insured with our written consent, which consent shall not be unreasonably withheld or delayed, to repair, replace or restore real or personal property to substantially the same condition it was in prior to being damaged during work performed in the course of incurring "clean-up costs" arising from "environmental damage". "Restoration" does not include any costs associated with improvements or betterments.

40. Spent Nuclear Fuel means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor.

41. Suit means any civil proceeding to which this insurance applies in which damages are alleged. "Suit" includes:

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

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

43. Transportation means the conveyance of cargo or materials beyond the boundaries of a job site, by an "auto" or watercraft while in due course of transit from the time of movement from its point of origin until its delivery to its final destination, including any "loading or unloading" onto or from the "auto" or watercraft. "Transportation" does not include cargo off-loaded from the "auto" or watercraft, or cargo in an "auto" or on a watercraft, at rest for a period longer than forty-eight (48) hours prior to reaching its final destination.

44. Underground storage tank means any tank(s), and associated piping, that has at least ten percent of its volume beneath the ground's surface.

However, "underground storage tank" does not include any tank that is enclosed within a basement or cellar if the tank is upon or above the surface of the floor of that basement, cellar or tunnel.

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

46. Waste Facility means any premises, site or location used by anyone at any time for the storage, handling, processing, treatment, or disposal of any wastes, garbage, refuse, hazardous materials, scrap or used petroleum substances.

47. Work Site means any site or location which you or your subcontractors are working, or have worked, provided that the site or location is not and was never owned by, operated by, rented or loaned to you

48. Wrongful Act means an act or omission negligently made, or a series of related acts or omissions negligently made in the rendering of "professional services".

49. Your Product:**a. Means:**

(1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

- (a) You;
- (b) Others trading under your name; or
- (c) A person or organization whose business or assets you have acquired; and

(2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

b. Includes:

(1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and

(2) The providing of or failure to provide warnings or instructions.

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

50. Your Work:**a. Means:**

(1) Work or operations performed by you or on your behalf; and

(2) Materials, parts or equipment furnished in connection with such work or operations.

b. Includes:

(1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work", and

(2) The providing of or failure to provide warnings or instructions.

PART III - COMMON POLICY CONDITIONS

APPLICABLE TO PART I - PROPERTY AND PART II – LIABILITY

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. Five days before the effective date of cancellation if any one of the following conditions exists at any building that is Covered Property in this policy:
 - (1) The building has been vacant or unoccupied 60 or more consecutive days. This does not apply to:
 - (a) Season unoccupancy; or
 - (b) Buildings in the course of construction, renovation, or addition.
Buildings with 65% or more of the rental units or floor area vacant or unoccupied are considered unoccupied under this provision.
 - (2) After Damage by a Covered Cause of Loss, permanent repairs to the building:
 - (a) Have not started; and
 - (b) Have not been contracted for; within 30 days of initial payment of loss.
 - (3) The building has:
 - (a) An outstanding order to vacate;
 - (b) An outstanding demolition order; or
 - (c) Been declared unsafe by governmental authority.
 - (4) Fixed and salvageable items have been or are being removed from the building and are not being replaced. This does not apply to such removal that is necessary or incidental to any renovation or remodeling.
 - (5) Failure to:
 - (a) Furnish necessary heat, water, sewer service or electricity for 30 consecutive days or more, except during a period of seasonal unoccupancy; or
 - (b) Pay property taxes that are owing and have been outstanding for more than one year following the date due, except that this provision will not apply where you are in a bona fide dispute with the taxing authority regarding payment of such taxes.
 - b. 10 days before the effective date of cancellation if we cancel for nonpayment of premium.
 - c. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

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

C. Concealment, Misrepresentation Or Fraud

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

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

D. Examination Of Your Books And Records

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

E. Inspections And Surveys

1. We have 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 and healthful; or
 - b. Comply with laws, regulations, codes or standards
3. Paragraphs 1., and 2., of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph 2., of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

F. Insurance Under Two or More Coverages

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

G. Liberalization

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

H. 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.

I. Premiums

1. The first Named Insured shown in the Declarations:
 - a. Is responsible for the payment of all premiums; and
 - b. Will be the payee for any return premiums we pay.
2. The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.