

Rockford Mutual Insurance Company
P O Box 5626
Rockford, IL 61125

PREPARED FOR:

COTTAGE ACRES HOMEOWNERS ASSOCIATION
700 W 23RD ST
STERLING, IL 61081-9003

REPRESENTED BY

YOUR INDEPENDENT AGENT:

Eckburg Insurance Group Inc
Agent/Producer Code: 0016771000000023





PHONE 815-229-1500

527 COLMAN CENTER DRIVE • P.O. BOX 5626 • ROCKFORD, ILLINOIS 61125

Cottage Acres Homeowners Association
700 W 23rd St
Sterling, IL 61081-9003

Re: CP000095616-001

Dear Valued Policyholder:

I want to express our sincere appreciation to you as a new policyholder with Rockford Mutual Insurance Company. As you know, Rockford Mutual is a regional insurance carrier that takes pride in providing excellent service to our policyholders since 1896.

You are very important to us and we want to retain you as a customer of Rockford Mutual for many years to come.

Should you have any questions, please feel free to contact your agent, or you may call our underwriting department at our toll-free number 800-747-2957.

We appreciate your business.

Sincerely,

Kent Shantz
President & CEO



PHONE 815-229-1500

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PROXY DESIGNATION - ANNUAL MEETING NOTICE

The Annual Meeting of Rockford Mutual Insurance Company policyholders is held annually at the home office in Rockford, Illinois every fourth Thursday of April at 10:00 a.m. Should you not be able to attend the annual meeting, your proxy will allow the designated persons to vote on your behalf.

Each of the persons designated in the proxy is an executive of the company or board member of the company and has been associated with the company for several years.

This proxy designation is being mailed with your new business policy to reduce the cost of a separate mailing. Whether or not you plan to attend the annual meeting, signing and dating the proxy designation and returning it to Rockford Mutual Insurance Company would be greatly appreciated. Thank you.

Rockford Mutual Insurance Company
527 Colman Center Dr., Rockford, IL 61108

PROXY DESIGNATION

I designate the Chairman of the Board, Vice Chairman, Secretary and each of them, my attorneys and proxies, with power of substitution and revocation to each, to vote as my proxy at all meetings of the Company, and at any and all adjournments thereof. The Powers hereunder shall be exercised by a majority of said attorneys and proxies so present, but if only one is so present, then that one shall have full power to act.

Policyholder Signature

Policyholder Signature

Date

Cottage Acres Homeowners Association

CP000095616-001

Rockford Mutual Insurance Company



ROCKFORDMUTUAL
INSURANCE COMPANY

THIS POLICY JACKET WITH THE DECLARATIONS PAGE, POLICY FORMS, AND POLICY ENDORSEMENTS
MAKES THIS A LEGAL CONTRACT BETWEEN YOU AND US.

PLEASE READ YOUR POLICY CAREFULLY.



**COMMERCIAL PACKAGE POLICY
NEW BUSINESS DECLARATION**
EFFECTIVE: 01/21/2024
POLICY NUMBER: CP000095616-001

Payment Address: PO Box 8219 Carol Stream IL 60197-8219

POLICY PERIOD: 01/21/2024 to 01/21/2025 **12:01 A.M. Standard Time at the address of the Named Insured stated below.**

NAMED INSURED AND ADDRESS

Cottage Acres Homeowners Association
 700 W 23rd St
 Sterling, IL 61081-9003

PRODUCER NAME AND ADDRESS

Eckburg Insurance Group Inc - 0016771000000023
 4455 N Mulford Rd
 Loves Park, IL 61111-6957
 (815) 877-4100

Direct Bill 4 Pay - Insured

THIS POLICY IS CONTINUOUS UNTIL CANCELLED OR LAPSED.

COVERAGE SUMMARY

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

COVERAGE PART/POLICY ATTACHED	PREMIUM
COMMERCIAL PROPERTY COVERAGE	\$30,692.00
COMMERCIAL GENERAL LIABILITY COVERAGE	\$1,446.00

TOTAL ADVANCE PREMIUM	\$32,138.00
	=====

LOCATION ADDRESS(ES)

LOCATION 1

801 COVENTRY LN
 STERLING, IL 61081-9000

LOCATION 2

803 COVENTRY LN APT A&B
 STERLING, IL 61081-9000

LOCATION 3

804 COVENTRY LN APT A&B
 STERLING, IL 61081-9032

LOCATION 4

805 COVENTRY LN APT A&B&C&D
 STERLING, IL 61081-9048

LOCATION 5

806 COVENTRY LN APT A&B
 STERLING, IL 61081-9032

LOCATION 6

808 COVENTRY LN APT A&B
 STERLING, IL 61081-9032



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LOCATION 7

903 COVENTRY LN APT A&B
 STERLING, IL 61081-9049

LOCATION 8

904 COVENTRY LN APT A&B
 STERLING, IL 61081-9050

LOCATION 9

905 COVENTRY LN APT A&B
 STERLING, IL 61081-9049

LOCATION 10

906 COVENTRY LN APT A&B
 STERLING, IL 61081-9050

LOCATION 11

806 VILLAGE LN APT A&B
 STERLING, IL 61081-9051

LOCATION 12

807 VILLAGE LN APT A&B
 STERLING, IL 61081-9051

LOCATION 13

903 VILLAGE LN APT A&B
 STERLING, IL 61081-9053

LOCATION 14

904 VILLAGE LN APT A&B
 STERLING, IL 61081-9052

LOCATION 15

905 VILLAGE LN APT A&B
 STERLING, IL 61081-9053

LOCATION 16

906 VILLAGE LN APT A&B
 STERLING, IL 61081-9052

LOCATION 17

808 VILLAGE LN APT A&B
 STERLING, IL 61081-9051

LOCATION 18

805 FLORENCE DR APT A&B
 STERLING, IL 61081-9059



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LOCATION 19

807 FLORENCE DR APT A&B
 STERLING, IL 61081-9059

LOCATION 20

903 FLORENCE DR APT A&B
 STERLING, IL 61081-9055

LOCATION 21

905 FLORENCE DR APT A&B
 STERLING, IL 61081-9055

LOCATION 22

2503 MEGAN CT APT A&B
 STERLING, IL 61081-9056

LOCATION 23

2504 MEGAN CT APT A&B
 STERLING, IL 61081-9057

LOCATION 24

2506 MEGAN CT APT A&B
 STERLING, IL 61081-9057

LOCATION 25

710 COVENTRY CT APT A&B
 STERLING, IL 61081-9033

LOCATION 26

2402 COVENTRY CT APT A&B
 STERLING, IL 61081-9001

LOCATION 27

2403 COVENTRY CT APT A&B
 STERLING, IL 61081-9014

LOCATION 28

2404 COVENTRY CT APT A&B
 STERLING, IL 61081-9001

LOCATION 29

2405 COVENTRY CT APT A&B
 STERLING, IL 61081-9014

LOCATION 30

2406 COVENTRY CT APT A&B
 STERLING, IL 61081-9001

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LOCATION 31

2503 KATEY CT APT A&B
 STERLING, IL 61081-9062

LOCATION 32

2504 KATEY CT APT A&B
 STERLING, IL 61081-9062

LOCATION 33

2506 KATEY CT APT A&B
 STERLING, IL 61081-9062

POLICY FORMS AND ENDORSEMENTS

Common Forms That Apply To All Coverage Parts

NUMBER	EDITION	DESCRIPTION
98-204	06-93	Lead Liability Exclusion
99-022	05-09	Notice to Policyholders
99-050	07-98	Notification of Insurance Information Practices
CG0001	04-13	Commercial General Liability Coverage Form
CG0200	12-07	Illinois Changes - Cancellation And Nonrenewal
CG2106	05-14	Exclusion - Access Or Disclosure Of Confidential Or Personal Information And Data - Related Liability - With Limited Bodily Injury Exception
CG2155	09-99	Total Pollution Exclusion With a Hostile Fire Exception
CG2167	12-04	Fungi Or Bacteria Exclusion
CG2187	01-07	Conditional Exclusion of Terrorism(Relating to Disposition of Federal Terrorism Risk Insurance Act)
CG2196	03-05	Silica or Silica - Related Dust Exclusion
CG4016	12-19	Cannabis Exclusion With Hemp Exception and Lessors Risk Exceptions
CP0010	10-12	Building And Personal Property Coverage Form
CP0090	07-88	Commercial Property Conditions Form
CP0140	07-06	Exclusion Of Loss Due To Virus Or Bacteria
CP0149	06-07	Illinois Changes - Artificially Generated Electrical Current Exclusion
CP1075	12-20	Cyber Incident Exclusion
CP9904	12-19	Cannabis Exclusion With Hemp Exception
IL0017	11-98	Common Policy Conditions



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POLICY FORMS AND ENDORSEMENTS

Common Forms That Apply To All Coverage Parts

NUMBER	EDITION	DESCRIPTION
IL0021	09-08	Nuclear Energy Liability Exclusion Endorsement
IL0147	09-11	Illinois Changes - Civil Union
IL0162	10-13	Illinois Changes - Defense Costs
IL0284	12-05	Illinois Changes - Cancellation And Nonrenewal
IL0935	07-02	Exclusion Of Certain Computer-Related Losses
IL0985	12-20	Disclosure Pursuant to Terrorism Risk Insurance Act
MLRM20	11-20	Actual Cash Value - Definition



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PREMIUM SUMMARY

COVERAGE SEGMENT

Commercial Property

SEGMENT PREMIUM

\$30,692.00

BLANKET COVERAGES

The Listed Limits of Insurance, Co-Insurance & Coverage Form Apply Only to the Categories of Property Listed in this Section

CATEGORY	LIMIT	COINSURANCE	COVERAGE FORM	EARTHQUAKE
Building	\$22,587,100	90%	Special	No

LOCATION # 1

BLDG	DEDUCTIBLE ALL OTHER	DEDUCTIBLE WIND OR HAIL	PERILS	TERR	CLASS
1	\$5,000	\$5,000	SPECIAL	2	0331-Condominiums - residential (association risk only) - without mercantile occupancies - Up to 10 units

PROPERTY COVERAGES

BLDG	COVERAGE	LIMIT	COINS	LOSS SETTLEMENT	PREMIUM
1	Building	Blanket	Blanket	Repl	\$752.00

Automatic Increase Building Limits 8%. Applies to all buildings



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LOCATION # 2

BLDG	DEDUCTIBLE ALL OTHER	DEDUCTIBLE WIND OR HAIL	PERILS	TERR	CLASS
1	\$5,000	\$5,000	SPECIAL	2	0331-Condominiums - residential (association risk only) - without mercantile occupancies - Up to 10 units

PROPERTY COVERAGES

BLDG COVERAGE	LIMIT	COINS	LOSS SETTLEMENT	PREMIUM
1 Building	Blanket	Blanket	Repl	\$686.00

Automatic Increase Building Limits 8%. Applies to all buildings

LOCATION # 3

BLDG	DEDUCTIBLE ALL OTHER	DEDUCTIBLE WIND OR HAIL	PERILS	TERR	CLASS
1	\$5,000	\$5,000	SPECIAL	2	0331-Condominiums - residential (association risk only) - without mercantile occupancies - Up to 10 units

PROPERTY COVERAGES

BLDG COVERAGE	LIMIT	COINS	LOSS SETTLEMENT	PREMIUM
1 Building	Blanket	Blanket	Repl	\$668.00

Automatic Increase Building Limits 8%. Applies to all buildings



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LOCATION # 4

BLDG	DEDUCTIBLE ALL OTHER	DEDUCTIBLE WIND OR HAIL	PERILS	TERR	CLASS
1	\$5,000	\$5,000	SPECIAL	2	0331-Condominiums - residential (association risk only) - without mercantile occupancies - Up to 10 units

PROPERTY COVERAGES

BLDG COVERAGE	LIMIT	COINS	LOSS SETTLEMENT	PREMIUM
1 Building	Blanket	Blanket	Repl	\$1,137.00

Automatic Increase Building Limits 8%. Applies to all buildings

LOCATION # 5

BLDG	DEDUCTIBLE ALL OTHER	DEDUCTIBLE WIND OR HAIL	PERILS	TERR	CLASS
1	\$5,000	\$5,000	SPECIAL	2	0331-Condominiums - residential (association risk only) - without mercantile occupancies - Up to 10 units

PROPERTY COVERAGES

BLDG COVERAGE	LIMIT	COINS	LOSS SETTLEMENT	PREMIUM
1 Building	Blanket	Blanket	Repl	\$745.00

Automatic Increase Building Limits 8%. Applies to all buildings



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LOCATION # 6

BLDG	DEDUCTIBLE ALL OTHER	DEDUCTIBLE WIND OR HAIL	PERILS	TERR	CLASS
1	\$5,000	\$5,000	SPECIAL	2	0331-Condominiums - residential (association risk only) - without mercantile occupancies - Up to 10 units

PROPERTY COVERAGES

BLDG COVERAGE	LIMIT	COINS	LOSS SETTLEMENT	PREMIUM
1 Building	Blanket	Blanket	Repl	\$725.00

Automatic Increase Building Limits 8%. Applies to all buildings

LOCATION # 7

BLDG	DEDUCTIBLE ALL OTHER	DEDUCTIBLE WIND OR HAIL	PERILS	TERR	CLASS
1	\$5,000	\$5,000	SPECIAL	2	0331-Condominiums - residential (association risk only) - without mercantile occupancies - Up to 10 units

PROPERTY COVERAGES

BLDG COVERAGE	LIMIT	COINS	LOSS SETTLEMENT	PREMIUM
1 Building	Blanket	Blanket	Repl	\$700.00

Automatic Increase Building Limits 8%. Applies to all buildings



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LOCATION # 8

BLDG	DEDUCTIBLE ALL OTHER	DEDUCTIBLE WIND OR HAIL	PERILS	TERR	CLASS
1	\$5,000	\$5,000	SPECIAL	2	0331-Condominiums - residential (association risk only) - without mercantile occupancies - Up to 10 units

PROPERTY COVERAGES

BLDG COVERAGE	LIMIT	COINS	LOSS SETTLEMENT	PREMIUM
1 Building	Blanket	Blanket	Repl	\$820.00

Automatic Increase Building Limits 8%. Applies to all buildings

LOCATION # 9

BLDG	DEDUCTIBLE ALL OTHER	DEDUCTIBLE WIND OR HAIL	PERILS	TERR	CLASS
1	\$5,000	\$5,000	SPECIAL	2	0331-Condominiums - residential (association risk only) - without mercantile occupancies - Up to 10 units

PROPERTY COVERAGES

BLDG COVERAGE	LIMIT	COINS	LOSS SETTLEMENT	PREMIUM
1 Building	Blanket	Blanket	Repl	\$596.00

Automatic Increase Building Limits 8%. Applies to all buildings



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LOCATION # 10

BLDG	DEDUCTIBLE ALL OTHER	DEDUCTIBLE WIND OR HAIL	PERILS	TERR	CLASS
1	\$5,000	\$5,000	SPECIAL	2	0331-Condominiums - residential (association risk only) - without mercantile occupancies - Up to 10 units

PROPERTY COVERAGES

BLDG COVERAGE	LIMIT	COINS	LOSS SETTLEMENT	PREMIUM
1 Building	Blanket	Blanket	Repl	\$668.00

Automatic Increase Building Limits 8%. Applies to all buildings

LOCATION # 11

BLDG	DEDUCTIBLE ALL OTHER	DEDUCTIBLE WIND OR HAIL	PERILS	TERR	CLASS
1	\$5,000	\$5,000	SPECIAL	2	0331-Condominiums - residential (association risk only) - without mercantile occupancies - Up to 10 units

PROPERTY COVERAGES

BLDG COVERAGE	LIMIT	COINS	LOSS SETTLEMENT	PREMIUM
1 Building	Blanket	Blanket	Repl	\$940.00

Automatic Increase Building Limits 8%. Applies to all buildings



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LOCATION # 12

BLDG	DEDUCTIBLE ALL OTHER	DEDUCTIBLE WIND OR HAIL	PERILS	TERR	CLASS
1	\$5,000	\$5,000	SPECIAL	2	0331-Condominiums - residential (association risk only) - without mercantile occupancies - Up to 10 units

PROPERTY COVERAGES

BLDG COVERAGE	LIMIT	COINS	LOSS SETTLEMENT	PREMIUM
1 Building	Blanket	Blanket	Repl	\$668.00

Automatic Increase Building Limits 8%. Applies to all buildings

LOCATION # 13

BLDG	DEDUCTIBLE ALL OTHER	DEDUCTIBLE WIND OR HAIL	PERILS	TERR	CLASS
1	\$5,000	\$5,000	SPECIAL	2	0331-Condominiums - residential (association risk only) - without mercantile occupancies - Up to 10 units

PROPERTY COVERAGES

BLDG COVERAGE	LIMIT	COINS	LOSS SETTLEMENT	PREMIUM
1 Building	Blanket	Blanket	Repl	\$668.00

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LOCATION # 14

BLDG	DEDUCTIBLE ALL OTHER	DEDUCTIBLE WIND OR HAIL	PERILS	TERR	CLASS
1	\$5,000	\$5,000	SPECIAL	2	0331-Condominiums - residential (association risk only) - without mercantile occupancies - Up to 10 units

PROPERTY COVERAGES

BLDG COVERAGE	LIMIT	COINS	LOSS SETTLEMENT	PREMIUM
1 Building	Blanket	Blanket	Repl	\$946.00

Automatic Increase Building Limits 8%. Applies to all buildings

LOCATION # 15

BLDG	DEDUCTIBLE ALL OTHER	DEDUCTIBLE WIND OR HAIL	PERILS	TERR	CLASS
1	\$5,000	\$7,500	SPECIAL	2	0331-Condominiums - residential (association risk only) - without mercantile occupancies - Up to 10 units

PROPERTY COVERAGES

BLDG COVERAGE	LIMIT	COINS	LOSS SETTLEMENT	PREMIUM
1 Building	Blanket	Blanket	Repl	\$940.00

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LOCATION # 16

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PROPERTY COVERAGES

BLDG	COVERAGE	LIMIT	COINS	LOSS SETTLEMENT	PREMIUM
1	Building	Blanket	Blanket	Repl	\$738.00

Automatic Increase Building Limits 8%. Applies to all buildings

LOCATION # 17

BLDG	DEDUCTIBLE ALL OTHER	DEDUCTIBLE WIND OR HAIL	PERILS	TERR	CLASS
1	\$5,000	\$5,000	SPECIAL	2	0331-Condominiums - residential (association risk only) - without mercantile occupancies - Up to 10 units

PROPERTY COVERAGES

BLDG	COVERAGE	LIMIT	COINS	LOSS SETTLEMENT	PREMIUM
1	Building	Blanket	Blanket	Repl	\$738.00

Automatic Increase Building Limits 8%. Applies to all buildings



**COMMERCIAL FIRE
NEW BUSINESS DECLARATION**
EFFECTIVE: 01/21/2024
POLICY NUMBER: CP000095616-001

Payment Address: PO Box 8219 Carol Stream IL 60197-8219

POLICY PERIOD: 01/21/2024 to 01/21/2025 **12:01 A.M. Standard Time at the address of the Named Insured stated below.**

NAMED INSURED AND ADDRESS

Cottage Acres Homeowners Association
700 W 23rd St
Sterling, IL 61081-9003

PRODUCER NAME AND ADDRESS

Eckburg Insurance Group Inc - 0016771000000023
4455 N Mulford Rd
Loves Park, IL 61111-6957
(815) 877-4100

Direct Bill 4 Pay - Insured

THIS POLICY IS CONTINUOUS UNTIL CANCELLED OR LAPSED.

LOCATION # 18

BLDG	DEDUCTIBLE ALL OTHER	DEDUCTIBLE WIND OR HAIL	PERILS	TERR	CLASS
1	\$5,000	\$5,000	SPECIAL	2	0331-Condominiums - residential (association risk only) - without mercantile occupancies - Up to 10 units

PROPERTY COVERAGES

BLDG COVERAGE	LIMIT	COINS	LOSS SETTLEMENT	PREMIUM
1 Building	Blanket	Blanket	Repl	\$966.00

Automatic Increase Building Limits 8%. Applies to all buildings

LOCATION # 19

BLDG	DEDUCTIBLE ALL OTHER	DEDUCTIBLE WIND OR HAIL	PERILS	TERR	CLASS
1	\$5,000	\$5,000	SPECIAL	2	0331-Condominiums - residential (association risk only) - without mercantile occupancies - Up to 10 units

PROPERTY COVERAGES

BLDG COVERAGE	LIMIT	COINS	LOSS SETTLEMENT	PREMIUM
1 Building	Blanket	Blanket	Repl	\$782.00

Automatic Increase Building Limits 8%. Applies to all buildings



**COMMERCIAL FIRE
NEW BUSINESS DECLARATION**
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POLICY NUMBER: CP000095616-001

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Sterling, IL 61081-9003

PRODUCER NAME AND ADDRESS

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LOCATION # 20

BLDG	DEDUCTIBLE ALL OTHER	DEDUCTIBLE WIND OR HAIL	PERILS	TERR	CLASS
1	\$5,000	\$5,000	SPECIAL	2	0331-Condominiums - residential (association risk only) - without mercantile occupancies - Up to 10 units

PROPERTY COVERAGES

BLDG	COVERAGE	LIMIT	COINS	LOSS SETTLEMENT	PREMIUM
1	Building	Blanket	Blanket	Repl	\$641.00

Automatic Increase Building Limits 8%. Applies to all buildings

LOCATION # 21

BLDG	DEDUCTIBLE ALL OTHER	DEDUCTIBLE WIND OR HAIL	PERILS	TERR	CLASS
1	\$5,000	\$5,000	SPECIAL	2	0331-Condominiums - residential (association risk only) - without mercantile occupancies - Up to 10 units

PROPERTY COVERAGES

BLDG	COVERAGE	LIMIT	COINS	LOSS SETTLEMENT	PREMIUM
1	Building	Blanket	Blanket	Repl	\$1,084.00

Automatic Increase Building Limits 8%. Applies to all buildings



**COMMERCIAL FIRE
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LOCATION # 22

BLDG	DEDUCTIBLE ALL OTHER	DEDUCTIBLE WIND OR HAIL	PERILS	TERR	CLASS
1	\$5,000	\$5,000	SPECIAL	2	0331-Condominiums - residential (association risk only) - without mercantile occupancies - Up to 10 units

PROPERTY COVERAGES

BLDG COVERAGE	LIMIT	COINS	LOSS SETTLEMENT	PREMIUM
1 Building	Blanket	Blanket	Repl	\$782.00

Automatic Increase Building Limits 8%. Applies to all buildings

LOCATION # 23

BLDG	DEDUCTIBLE ALL OTHER	DEDUCTIBLE WIND OR HAIL	PERILS	TERR	CLASS
1	\$5,000	\$5,000	SPECIAL	2	0331-Condominiums - residential (association risk only) - without mercantile occupancies - Up to 10 units

PROPERTY COVERAGES

BLDG COVERAGE	LIMIT	COINS	LOSS SETTLEMENT	PREMIUM
1 Building	Blanket	Blanket	Repl	\$1,084.00

Automatic Increase Building Limits 8%. Applies to all buildings



**COMMERCIAL FIRE
NEW BUSINESS DECLARATION**
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LOCATION # 24

BLDG	DEDUCTIBLE ALL OTHER	DEDUCTIBLE WIND OR HAIL	PERILS	TERR	CLASS
1	\$5,000	\$5,000	SPECIAL	2	0331-Condominiums - residential (association risk only) - without mercantile occupancies - Up to 10 units

PROPERTY COVERAGES

BLDG	COVERAGE	LIMIT	COINS	LOSS SETTLEMENT	PREMIUM
1	Building	Blanket	Blanket	Repl	\$837.00

Automatic Increase Building Limits 8%. Applies to all buildings

LOCATION # 25

BLDG	DEDUCTIBLE ALL OTHER	DEDUCTIBLE WIND OR HAIL	PERILS	TERR	CLASS
1	\$5,000	\$5,000	SPECIAL	2	0331-Condominiums - residential (association risk only) - without mercantile occupancies - Up to 10 units

PROPERTY COVERAGES

BLDG	COVERAGE	LIMIT	COINS	LOSS SETTLEMENT	PREMIUM
1	Building	Blanket	Blanket	Repl	\$630.00

Automatic Increase Building Limits 8%. Applies to all buildings



**COMMERCIAL FIRE
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LOCATION # 26

BLDG	DEDUCTIBLE ALL OTHER	DEDUCTIBLE WIND OR HAIL	PERILS	TERR	CLASS
1	\$5,000	\$5,000	SPECIAL	2	0331-Condominiums - residential (association risk only) - without mercantile occupancies - Up to 10 units

PROPERTY COVERAGES

BLDG	COVERAGE	LIMIT	COINS	LOSS SETTLEMENT	PREMIUM
1	Building	Blanket	Blanket	Repl	\$617.00

Automatic Increase Building Limits 8%. Applies to all buildings

LOCATION # 27

BLDG	DEDUCTIBLE ALL OTHER	DEDUCTIBLE WIND OR HAIL	PERILS	TERR	CLASS
1	\$5,000	\$5,000	SPECIAL	2	0331-Condominiums - residential (association risk only) - without mercantile occupancies - Up to 10 units

PROPERTY COVERAGES

BLDG	COVERAGE	LIMIT	COINS	LOSS SETTLEMENT	PREMIUM
1	Building	Blanket	Blanket	Repl	\$630.00

Automatic Increase Building Limits 8%. Applies to all buildings



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LOCATION # 28

BLDG	DEDUCTIBLE ALL OTHER	DEDUCTIBLE WIND OR HAIL	PERILS	TERR	CLASS
1	\$5,000	\$5,000	SPECIAL	2	0331-Condominiums - residential (association risk only) - without mercantile occupancies - Up to 10 units

PROPERTY COVERAGES

BLDG COVERAGE	LIMIT	COINS	LOSS SETTLEMENT	PREMIUM
1 Building	Blanket	Blanket	Repl	\$630.00

Automatic Increase Building Limits 8%. Applies to all buildings

LOCATION # 29

BLDG	DEDUCTIBLE ALL OTHER	DEDUCTIBLE WIND OR HAIL	PERILS	TERR	CLASS
1	\$5,000	\$5,000	SPECIAL	2	0331-Condominiums - residential (association risk only) - without mercantile occupancies - Up to 10 units

PROPERTY COVERAGES

BLDG COVERAGE	LIMIT	COINS	LOSS SETTLEMENT	PREMIUM
1 Building	Blanket	Blanket	Repl	\$630.00

Automatic Increase Building Limits 8%. Applies to all buildings



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LOCATION # 30

BLDG	DEDUCTIBLE ALL OTHER	DEDUCTIBLE WIND OR HAIL	PERILS	TERR	CLASS
1	\$5,000	\$5,000	SPECIAL	2	0331-Condominiums - residential (association risk only) - without mercantile occupancies - Up to 10 units

PROPERTY COVERAGES

BLDG	COVERAGE	LIMIT	COINS	LOSS SETTLEMENT	PREMIUM
1	Building	Blanket	Blanket	Repl	\$630.00

Automatic Increase Building Limits 8%. Applies to all buildings

LOCATION # 31

BLDG	DEDUCTIBLE ALL OTHER	DEDUCTIBLE WIND OR HAIL	PERILS	TERR	CLASS
1	\$5,000	\$5,000	SPECIAL	2	0331-Condominiums - residential (association risk only) - without mercantile occupancies - Up to 10 units

PROPERTY COVERAGES

BLDG	COVERAGE	LIMIT	COINS	LOSS SETTLEMENT	PREMIUM
1	Building	Blanket	Blanket	Repl	\$790.00

Automatic Increase Building Limits 8%. Applies to all buildings



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LOCATION # 32

BLDG	DEDUCTIBLE ALL OTHER	DEDUCTIBLE WIND OR HAIL	PERILS	TERR	CLASS
1	\$5,000	\$5,000	SPECIAL	2	0331-Condominiums - residential (association risk only) - without mercantile occupancies - Up to 10 units

PROPERTY COVERAGES

BLDG COVERAGE	LIMIT	COINS	LOSS SETTLEMENT	PREMIUM
1 Building	Blanket	Blanket	Repl	\$1,084.00

Automatic Increase Building Limits 8%. Applies to all buildings

LOCATION # 33

BLDG	DEDUCTIBLE ALL OTHER	DEDUCTIBLE WIND OR HAIL	PERILS	TERR	CLASS
1	\$5,000	\$5,000	SPECIAL	2	0331-Condominiums - residential (association risk only) - without mercantile occupancies - Up to 10 units

PROPERTY COVERAGES

BLDG COVERAGE	LIMIT	COINS	LOSS SETTLEMENT	PREMIUM
1 Building	Blanket	Blanket	Repl	\$966.00

Automatic Increase Building Limits 8%. Applies to all buildings



**COMMERCIAL FIRE
NEW BUSINESS DECLARATION**
EFFECTIVE: **01/21/2024**
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PROPERTY FORMS AND ENDORSEMENTS

Forms and Endorsements Applicable to This Coverage Part

NUMBER	DATE	DESCRIPTION	LOC	BLDG	LIMIT	PREMIUM
MLRM30	10-23	Statement of Values	All	All		Included
IL0952	01-15	Cap on Losses from Certified Acts of Terrorism	All	All		\$20.00
99-540	01-14	Equipment Breakdown Coverage	All	All		Included
CP0405	10-12	Ordinance Or Law Coverage	1	1		\$90.00
CP0405	10-12	Ordinance Or Law Coverage	2	1		\$83.00
CP0405	10-12	Ordinance Or Law Coverage	3	1		\$82.00
CP0405	10-12	Ordinance Or Law Coverage	4	1		\$125.00
CP0405	10-12	Ordinance Or Law Coverage	5	1		\$89.00
CP0405	10-12	Ordinance Or Law Coverage	6	1		\$88.00
CP0405	10-12	Ordinance Or Law Coverage	7	1		\$85.00
CP0405	10-12	Ordinance Or Law Coverage	8	1		\$96.00
CP0405	10-12	Ordinance Or Law Coverage	9	1		\$75.00
CP0405	10-12	Ordinance Or Law Coverage	10	1		\$82.00
CP0405	10-12	Ordinance Or Law Coverage	11	1		\$108.00
CP0405	10-12	Ordinance Or Law Coverage	12	1		\$82.00
CP0405	10-12	Ordinance Or Law Coverage	13	1		\$82.00
CP0405	10-12	Ordinance Or Law Coverage	14	1		\$108.00
CP0405	10-12	Ordinance Or Law Coverage	15	1		\$108.00
CP0405	10-12	Ordinance Or Law Coverage	16	1		\$89.00
CP0405	10-12	Ordinance Or Law Coverage	17	1		\$89.00
CP0405	10-12	Ordinance Or Law Coverage	18	1		\$110.00
CP0405	10-12	Ordinance Or Law Coverage	19	1		\$94.00
CP0405	10-12	Ordinance Or Law Coverage	20	1		\$79.00
CP0405	10-12	Ordinance Or Law Coverage	21	1		\$120.00
CP0405	10-12	Ordinance Or Law Coverage	22	1		\$94.00
CP0405	10-12	Ordinance Or Law Coverage	23	1		\$120.00
CP0405	10-12	Ordinance Or Law Coverage	24	1		\$98.00
CP0405	10-12	Ordinance Or Law Coverage	25	1		\$78.00
CP0405	10-12	Ordinance Or Law Coverage	26	1		\$77.00
CP0405	10-12	Ordinance Or Law Coverage	27	1		\$78.00
CP0405	10-12	Ordinance Or Law Coverage	28	1		\$78.00



**COMMERCIAL FIRE
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(815) 877-4100

Direct Bill 4 Pay - Insured

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PROPERTY FORMS AND ENDORSEMENTS

Forms and Endorsements Applicable to This Coverage Part

NUMBER	DATE	DESCRIPTION	LOC	BLDG	LIMIT	PREMIUM
CP0405	10-12	Ordinance Or Law Coverage	29	1		\$78.00
CP0405	10-12	Ordinance Or Law Coverage	30	1		\$78.00
CP0405	10-12	Ordinance Or Law Coverage	31	1		\$94.00
CP0405	10-12	Ordinance Or Law Coverage	32	1		\$120.00
CP0405	10-12	Ordinance Or Law Coverage	33	1		\$110.00
CP1030	10-12	Causes Of Loss - Special Form	1	1		Included
CP1030	10-12	Causes Of Loss - Special Form	2	1		Included
CP1030	10-12	Causes Of Loss - Special Form	3	1		Included
CP1030	10-12	Causes Of Loss - Special Form	4	1		Included
CP1030	10-12	Causes Of Loss - Special Form	5	1		Included
CP1030	10-12	Causes Of Loss - Special Form	6	1		Included
CP1030	10-12	Causes Of Loss - Special Form	7	1		Included
CP1030	10-12	Causes Of Loss - Special Form	8	1		Included
CP1030	10-12	Causes Of Loss - Special Form	9	1		Included
CP1030	10-12	Causes Of Loss - Special Form	10	1		Included
CP1030	10-12	Causes Of Loss - Special Form	11	1		Included
CP1030	10-12	Causes Of Loss - Special Form	12	1		Included
CP1030	10-12	Causes Of Loss - Special Form	13	1		Included
CP1030	10-12	Causes Of Loss - Special Form	14	1		Included
CP1030	10-12	Causes Of Loss - Special Form	15	1		Included
CP1030	10-12	Causes Of Loss - Special Form	16	1		Included
CP1030	10-12	Causes Of Loss - Special Form	17	1		Included
CP1030	10-12	Causes Of Loss - Special Form	18	1		Included
CP1030	10-12	Causes Of Loss - Special Form	19	1		Included
CP1030	10-12	Causes Of Loss - Special Form	20	1		Included
CP1030	10-12	Causes Of Loss - Special Form	21	1		Included
CP1030	10-12	Causes Of Loss - Special Form	22	1		Included
CP1030	10-12	Causes Of Loss - Special Form	23	1		Included
CP1030	10-12	Causes Of Loss - Special Form	24	1		Included
CP1030	10-12	Causes Of Loss - Special Form	25	1		Included
CP1030	10-12	Causes Of Loss - Special Form	26	1		Included



**COMMERCIAL FIRE
NEW BUSINESS DECLARATION**
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 700 W 23rd St
 Sterling, IL 61081-9003

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 4455 N Mulford Rd
 Loves Park, IL 61111-6957
 (815) 877-4100

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THIS POLICY IS CONTINUOUS UNTIL CANCELLED OR LAPSED.

PROPERTY FORMS AND ENDORSEMENTS

Forms and Endorsements Applicable to This Coverage Part

NUMBER	DATE	DESCRIPTION	LOC	BLDG	LIMIT	PREMIUM
CP1030	10-12	Causes Of Loss - Special Form	27	1		Included
CP1030	10-12	Causes Of Loss - Special Form	28	1		Included
CP1030	10-12	Causes Of Loss - Special Form	29	1		Included
CP1030	10-12	Causes Of Loss - Special Form	30	1		Included
CP1030	10-12	Causes Of Loss - Special Form	31	1		Included
CP1030	10-12	Causes Of Loss - Special Form	32	1		Included
CP1030	10-12	Causes Of Loss - Special Form	33	1		Included
CP0329	04-18	Deductibles By Location	All	All		Included
CPND03	10-19	Policyholder Notice - Illinois Changes	All	All		Included
CPRM02	11-22	Illinois Changes	All	All		Included



**COMMERCIAL GENERAL LIABILITY
NEW BUSINESS DECLARATION**
EFFECTIVE: 01/21/2024
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 Sterling, IL 61081-9003

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 (815) 877-4100

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PREMIUM SUMMARY

COVERAGE SEGMENT

SEGMENT PREMIUM

General Liability \$1,446.00

LOCATION # 1

BLDG	TERR	CLASS	EXPOSURE	PREMIUM
1	2	62003 - Condominiums - residentail - (association risk only)	2	\$23.00

LOCATION # 2

BLDG	TERR	CLASS	EXPOSURE	PREMIUM
1	2	62003 - Condominiums - residentail - (association risk only)	2	\$23.00

LOCATION # 3

BLDG	TERR	CLASS	EXPOSURE	PREMIUM
1	2	62003 - Condominiums - residentail - (association risk only)	2	\$23.00

LOCATION # 4

BLDG	TERR	CLASS	EXPOSURE	PREMIUM
1	2	62003 - Condominiums - residentail - (association risk only)	4	\$46.00



**COMMERCIAL GENERAL LIABILITY
NEW BUSINESS DECLARATION**
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BLDG	TERR	CLASS	EXPOSURE	PREMIUM
LOCATION # 5				

BLDG	TERR	CLASS	EXPOSURE	PREMIUM
1	2	62003 - Condominiums - residentail - (association risk only)	2	\$23.00

LOCATION # 6

BLDG	TERR	CLASS	EXPOSURE	PREMIUM
1	2	62003 - Condominiums - residentail - (association risk only)	2	\$23.00

LOCATION # 7

BLDG	TERR	CLASS	EXPOSURE	PREMIUM
1	2	62003 - Condominiums - residentail - (association risk only)	2	\$23.00

LOCATION # 8

BLDG	TERR	CLASS	EXPOSURE	PREMIUM
1	2	62003 - Condominiums - residentail - (association risk only)	2	\$23.00

LOCATION # 9

BLDG	TERR	CLASS	EXPOSURE	PREMIUM
1	2	62003 - Condominiums - residentail - (association risk only)	2	\$23.00



**COMMERCIAL GENERAL LIABILITY
NEW BUSINESS DECLARATION**
EFFECTIVE: 01/21/2024
POLICY NUMBER: CP000095616-001

Payment Address: PO Box 8219 Carol Stream IL 60197-8219

POLICY PERIOD: 01/21/2024 to 01/21/2025 **12:01 A.M. Standard Time at the address of the Named Insured stated below.**

NAMED INSURED AND ADDRESS

Cottage Acres Homeowners Association
700 W 23rd St
Sterling, IL 61081-9003

PRODUCER NAME AND ADDRESS

Eckburg Insurance Group Inc - 0016771000000023
4455 N Mulford Rd
Loves Park, IL 61111-6957
(815) 877-4100

Direct Bill 4 Pay - Insured

THIS POLICY IS CONTINUOUS UNTIL CANCELLED OR LAPSED.

BLDG	TERR	CLASS	EXPOSURE	PREMIUM
LOCATION # 10				

BLDG	TERR	CLASS	EXPOSURE	PREMIUM
1	2	62003 - Condominiums - residentail - (association risk only)	2	\$23.00

LOCATION # 11

BLDG	TERR	CLASS	EXPOSURE	PREMIUM
1	2	62003 - Condominiums - residentail - (association risk only)	2	\$23.00

LOCATION # 12

BLDG	TERR	CLASS	EXPOSURE	PREMIUM
1	2	62003 - Condominiums - residentail - (association risk only)	2	\$23.00

LOCATION # 13

BLDG	TERR	CLASS	EXPOSURE	PREMIUM
1	2	62003 - Condominiums - residentail - (association risk only)	2	\$23.00

LOCATION # 14

BLDG	TERR	CLASS	EXPOSURE	PREMIUM
1	2	62003 - Condominiums - residentail - (association risk only)	2	\$23.00



**COMMERCIAL GENERAL LIABILITY
NEW BUSINESS DECLARATION**
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PRODUCER NAME AND ADDRESS

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BLDG	TERR	CLASS	EXPOSURE	PREMIUM
LOCATION # 15				

BLDG	TERR	CLASS	EXPOSURE	PREMIUM
1	2	62003 - Condominiums - residentail - (association risk only)	2	\$23.00

LOCATION # 16				
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BLDG	TERR	CLASS	EXPOSURE	PREMIUM
1	2	62003 - Condominiums - residentail - (association risk only)	2	\$23.00

LOCATION # 17				
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BLDG	TERR	CLASS	EXPOSURE	PREMIUM
1	2	62003 - Condominiums - residentail - (association risk only)	2	\$23.00

LOCATION # 18				
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BLDG	TERR	CLASS	EXPOSURE	PREMIUM
1	2	62003 - Condominiums - residentail - (association risk only)	2	\$23.00

LOCATION # 19				
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BLDG	TERR	CLASS	EXPOSURE	PREMIUM
1	2	62003 - Condominiums - residentail - (association risk only)	2	\$23.00



**COMMERCIAL GENERAL LIABILITY
NEW BUSINESS DECLARATION**
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BLDG	TERR	CLASS	EXPOSURE	PREMIUM
LOCATION # 20				
1	2	62003 - Condominiums - residentail - (association risk only)	2	\$23.00
LOCATION # 21				
1	2	62003 - Condominiums - residentail - (association risk only)	2	\$23.00
LOCATION # 22				
1	2	62003 - Condominiums - residentail - (association risk only)	2	\$23.00
LOCATION # 23				
1	2	62003 - Condominiums - residentail - (association risk only)	2	\$23.00
LOCATION # 24				
1	2	62003 - Condominiums - residentail - (association risk only)	2	\$23.00



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Sterling, IL 61081-9003

PRODUCER NAME AND ADDRESS

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BLDG	TERR	CLASS	EXPOSURE	PREMIUM
LOCATION # 25				

BLDG	TERR	CLASS	EXPOSURE	PREMIUM
1	2	62003 - Condominiums - residentail - (association risk only)	2	\$23.00

LOCATION # 26				
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BLDG	TERR	CLASS	EXPOSURE	PREMIUM
1	2	62003 - Condominiums - residentail - (association risk only)	2	\$23.00

LOCATION # 27				
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BLDG	TERR	CLASS	EXPOSURE	PREMIUM
1	2	62003 - Condominiums - residentail - (association risk only)	2	\$23.00

LOCATION # 28				
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BLDG	TERR	CLASS	EXPOSURE	PREMIUM
1	2	62003 - Condominiums - residentail - (association risk only)	2	\$23.00

LOCATION # 29				
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BLDG	TERR	CLASS	EXPOSURE	PREMIUM
1	2	62003 - Condominiums - residentail - (association risk only)	2	\$23.00



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Cottage Acres Homeowners Association
 700 W 23rd St
 Sterling, IL 61081-9003

PRODUCER NAME AND ADDRESS

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 4455 N Mulford Rd
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BLDG	TERR	CLASS	EXPOSURE	PREMIUM
LOCATION # 30				
1	2	62003 - Condominiums - residentail - (association risk only)	2	\$23.00
LOCATION # 31				
1	2	62003 - Condominiums - residentail - (association risk only)	2	\$23.00
LOCATION # 32				
1	2	62003 - Condominiums - residentail - (association risk only)	2	\$23.00
LOCATION # 33				
1	2	62003 - Condominiums - residentail - (association risk only)	2	\$23.00



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LIABILITY AND MEDICAL EXPENSES

Except for Damage to Premises Rented to You, each paid claim for the following coverages reduces the amount of insurance we provide during the applicable annual period.

COVERAGE	LIMIT	PREMIUM
General Liability Aggregate	\$2,000,000	Included
Products/Completed Operations Aggregate	\$2,000,000	Included
General Liability per Occurrence	\$1,000,000	Included
Personal and Advertising Injury	\$1,000,000	
Damage to Premises Rented to You	\$100,000	Included
Medical Expenses	\$5,000	Included

Property Damage Liability Deductible: \$500



**COMMERCIAL GENERAL LIABILITY
NEW BUSINESS DECLARATION**
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CyberWay - CYBER LIABILITY SCHEDULE OF COVERAGES

COVERAGE	Limit Per Claim And In The Aggregate	COVERAGE	Limit Per Claim And In The Aggregate
A. Multimedia Liability	\$50,000	B. Security and Privacy Liability	\$50,000
C. Privacy Regulatory Defense And Penalties	\$50,000	D. PCI DSS Liability	\$50,000
E. Breach Event Costs	\$50,000	F. BrandGuard®	\$50,000
Proactive Privacy Breach Response Costs Sublimit	\$50,000	G. Network Asset Protection	\$50,000
Voluntary Notification Expense Sublimit	\$50,000	H. Cyber Extortion	\$50,000
Maximum Aggregate Limit of Liability	\$50,000	Retroactive Date	01/21/2024

LIABILITY FORMS AND ENDORSEMENTS

Forms and Endorsements Applicable to This Coverage Part

NUMBER	DATE	DESCRIPTION	LOC	LIMIT	PREMIUM
EP1201	11-22	Employment Practices Liability Insurance Coverage - Illinois Changes	All		Included
98-250	01-01	Asbestos Exclusion	All		Included
CG0165	08-05	Illinois Changes - Condominiums	1		Included
CG0165	08-05	Illinois Changes - Condominiums	3		Included
CG0165	08-05	Illinois Changes - Condominiums	4		Included
CG0165	08-05	Illinois Changes - Condominiums	5		Included
CG0165	08-05	Illinois Changes - Condominiums	6		Included
CG0165	08-05	Illinois Changes - Condominiums	7		Included



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LIABILITY FORMS AND ENDORSEMENTS

Forms and Endorsements Applicable to This Coverage Part

NUMBER	DATE	DESCRIPTION	LOC	LIMIT	PREMIUM
CG0165	08-05	Illinois Changes - Condominiums	8		Included
CG0165	08-05	Illinois Changes - Condominiums	9		Included
CG0165	08-05	Illinois Changes - Condominiums	10		Included
CG0165	08-05	Illinois Changes - Condominiums	11		Included
CG0165	08-05	Illinois Changes - Condominiums	12		Included
CG0165	08-05	Illinois Changes - Condominiums	13		Included
CG0165	08-05	Illinois Changes - Condominiums	14		Included
CG0165	08-05	Illinois Changes - Condominiums	15		Included
CG0165	08-05	Illinois Changes - Condominiums	16		Included
CG0165	08-05	Illinois Changes - Condominiums	17		Included
CG0165	08-05	Illinois Changes - Condominiums	18		Included
CG0165	08-05	Illinois Changes - Condominiums	19		Included
CG0165	08-05	Illinois Changes - Condominiums	20		Included
CG0165	08-05	Illinois Changes - Condominiums	21		Included
CG0165	08-05	Illinois Changes - Condominiums	22		Included
CG0165	08-05	Illinois Changes - Condominiums	23		Included
CG0165	08-05	Illinois Changes - Condominiums	24		Included
CG0165	08-05	Illinois Changes - Condominiums	25		Included
CG0165	08-05	Illinois Changes - Condominiums	26		Included
CG0165	08-05	Illinois Changes - Condominiums	27		Included
CG0165	08-05	Illinois Changes - Condominiums	28		Included
CG0165	08-05	Illinois Changes - Condominiums	29		Included
CG0165	08-05	Illinois Changes - Condominiums	30		Included
CG0165	08-05	Illinois Changes - Condominiums	31		Included
CG0165	08-05	Illinois Changes - Condominiums	32		Included
CG0165	08-05	Illinois Changes - Condominiums	33		Included
CG0165	08-05	Illinois Changes - Condominiums	2		Included
CG0300	01-96	Deductible Liability Insurance	All		Included
CG4032	05-23	Exclusion - PFAS	All		Included
CG2171	01-15	Exclusion Of Other Acts Of Terrorism Committed Outside The United States; Cap On Losses From Certified Acts Of Terrorism	All		\$20.00



**COMMERCIAL GENERAL LIABILITY
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LIABILITY FORMS AND ENDORSEMENTS

Forms and Endorsements Applicable to This Coverage Part

NUMBER	DATE	DESCRIPTION	LOC	LIMIT	PREMIUM
CG2176	01-15	Exclusion of Punitive Damages Related to a Certified Act of Terrorism	All		Included
CG2413	04-13	Amendment of Personal and Advertising Injury Definition	All		Included
MLRM21	03-21	Condominium, Co-Ops and Association Directors and Officers Liability Coverage - Illinois Retroactive Date: 01/21/2022	All	\$1,000,000	\$475.00
MLRM18	10-20	Communicable Disease Exclusion - Illinois	All		Included
EP0003	11-22	Employment Practices Liability (incl Third Party) Retroactive Date: 01/21/2024	All		Included
MLRM28	04-23	Exclusion - Biometric Identifiers	All		Included
MLRM04	06-19	Cyber Liability Endorsement	All		Included
MLRM06	06-19	Cyber Liability - Illinois Changes	All		Included

STATEMENT OF VALUES

Location #	Building #	Coverage	Value
1	1		\$652,500
2	1		\$595,300
3	1		\$578,100
4	1		\$1,001,700
5	1		\$646,800
6	1		\$629,600
7	1		\$606,700
8	1		\$715,500
9	1		\$515,200
10	1		\$578,100
11	1		\$824,300
12	1		\$578,100
13	1		\$578,100
14	1		\$830,000
15	1		\$824,300
16	1		\$641,100
17	1		\$641,100
18	1		\$847,200
19	1		\$681,200
20	1		\$555,200
21	1		\$955,900
22	1		\$681,200
23	1		\$955,900
24	1		\$732,700
25	1		\$543,800
26	1		\$532,300
27	1		\$543,800
28	1		\$543,800
29	1		\$543,800
30	1		\$543,800
31	1		\$686,900
32	1		\$955,900
33	1		\$847,200

The values shown on this Statement of Values reflect the values you have requested or agreed to for each individual item that was included in the Blanket Limit of Insurance shown in the Declarations of your policy.

By your acceptance of this policy and the payment of the premium due, you are acknowledging that the values shown above are correct to the best of you knowledge and belief

NOTICE TO POLICYHOLDERS

We are here to serve you. As a valued policyholder, your satisfaction is very important to us. If you have questions about your policy or have any concerns regarding a claim, do not hesitate to contact us or your agent. You may contact us at the following:

Rockford Mutual Insurance Company
527 Colman Center Drive
P.O. Box 5626
Rockford, IL 61125

Phone: 800-747-2957

If you contact us or your agent with concerns regarding a claim and feel you are not being treated fairly, you may contact the state department or agency in the state where you reside to register a complaint. You can register a complaint at the following:

Illinois

Public Service Division
Department of Insurance
320 W. Washington Street
Springfield, IL 62767

Phone: 217-782-4515

Indiana

Consumer Services Division
Indiana Department of Insurance
311 W. Washington Street, Suite 300
Indianapolis, IN 46204-2787

Phone: 317-232-2396 or 800-622-4461

Wisconsin

Office of the Commissioner of Insurance
Complaints Department
P.O. Box 7873
Madison, WI 53707-7873

Phone: 800-236-8517 outside of Madison
266-0103 in Madison

Missouri

Missouri Department of Insurance
P. O. Box 690
Jefferson City, MO 65102-0690

Phone: 573-751-2640

Rockford Mutual Insurance Company

NOTIFICATION OF INSURANCE INFORMATION PRACTICES

YOUR PRIVACY

You have entrusted us with some personal information about yourself, and we are concerned with your privacy. As our customer, we want you to understand how we gather information, how we protect it, and what your rights and responsibilities are regarding recorded information about you.

WHAT KIND OF INFORMATION IS COLLECTED ABOUT YOU

We get most of the personal information from your application for insurance. This information is used to help decide whether or not a policy can be issued and/or for rating purposes. In some insurance transactions, we may need to obtain additional information about you and any family member applying for insurance. In that case, we may obtain information from outside sources at our own expense. This information may be obtained from public records, consumer reporting agencies, or other insurance companies. For example, with your auto insurance, we routinely obtain a record of accidents, violations, and convictions from your State Motor Vehicle Department. Other examples of this information are: the value and condition of your property or other insurance coverage.

It is common for an insurance company to ask an independent source such as consumer reporting agency to verify and add to information given on the application. If we order a consumer report from an independent reporting agency, they will obtain information about you in the same manner as we would. On property insurance, for example, they may personally inspect your home or buildings. The information collected by the agency is retained by them and later shared with others who use these reports. You have the right to be personally interviewed by the consumer reporting agency if we use such an independent source to prepare a report on you. Information you provide the agency during an interview will be included in the report sent to us. If you wish to be interviewed, please tell us how the agency may contact you. Every effort will be made to interview you. Even if you are not interviewed, you have the right to request a copy of the report. Contact us or your agent.

WHAT WE DO WITH INFORMATION ABOUT YOU

Information about you will be kept in our policy records. We will refer to and use that information for purposes relating to issuing and servicing insurance policies and settling claims.

Without your prior authorization, we may, as permitted by law, share information about you contained in our files with certain persons and organizations. The types of persons or organizations we may share this information with include:

- your agent, broker, or sales representative
- adjusters, appraisers, investigators, and attorneys
- persons or organizations who need the information to perform a business, professional or insurance function for us, such as businesses that help us with data processing or marketing
- other insurance companies, agents, or consumer reporting agencies as it is needed in connection with any application, policy, or claim involving you
- persons or organizations that conduct scientific research, including actuarial or underwriting studies
- our affiliated companies
- a court or government agencies when subpoenaed

HOW YOU CAN REVIEW RECORDED INFORMATION ABOUT YOU

You have the right to review recorded information about you contained in our files and to get a copy.

If you have any questions about what information we may have on file, please write us or contact your agent. We will need your complete name, address, date of birth, and all policy numbers under which you are insured.

Upon receipt of your request, we will contact you within 30 business days and inform you of the nature of recorded information about you in our files. If we used a consumer reporting agency, we will identify the organization so that you can contact them to get a copy of their report. We will also tell you the identity of the persons or organizations to whom we have disclosed this information during the past two years.

We will let you see and copy, in person, or we will mail you a copy of such recorded information. A nominal fee will be charged for this information. Certain kinds of information are not available to you. This type of information is usually collected when we evaluate a claim under an insurance policy or when the possibility of a lawsuit exists.

CORRECTION OR DELETION OF INFORMATION

If, after reading information in your file, you believe it is incorrect, please notify us. You have the right to request, in writing, that we correct, amend, or delete any item of personal information. Please tell us what is incorrect and why.

We will investigate the information you indicate is incorrect. If we agree with you, we will correct, amend, or delete the information involved and notify persons or organizations to whom we may have previously disclosed the inaccurate information of the change. We will also notify insurance support organizations to whom we may have disclosed this information.

If we disagree with you, we will notify you providing our reasons for refusing to correct, amend, or delete the information you believe is incorrect. If you are not satisfied with our response, you may file with us a brief statement setting forth what you believe to be the correct, relevant, or fair information and why you disagree with our decision not to correct, amend, or delete the original information. Your statement will become a permanent part of our file and will be made part of any future disclosure of the original information. In addition, we will send a copy of your statement to persons or organizations to whom we have previously disclosed information.

Rockford Mutual Insurance Company
527 Colman Center Drive
P.O. Box 5626
Rockford, Illinois 61125

815-229-1500

COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

A. Cancellation

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

B. Changes

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

C. Examination Of Your Books And Records

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

D. Inspections And Surveys

1. We have the right to:
 - a. Make inspections and surveys at any time;

- b. Give you reports on the conditions we find; and
- c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
 - a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. Premiums

The first Named Insured shown in the Declarations:

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

F. Transfer Of Your Rights And Duties Under This Policy

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ILLINOIS CHANGES-DEFENSE COSTS

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
 COMMERCIAL GENERAL LIABILITY COVERAGE PART
 COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART – LEGAL LIABILITY COVERAGE FORM
 COMMERCIAL PROPERTY COVERAGE PART – MORTGAGEHOLDERS ERRORS AND OMISSIONS
 COVERAGE FORM
 EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
 FARM COVERAGE PART
 FARM UMBRELLA LIABILITY POLICY
 LIQUOR LIABILITY COVERAGE PART
 MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
 OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
 POLLUTION LIABILITY COVERAGE PART
 PRODUCT WITHDRAWAL COVERAGE PART
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
 RAILROAD PROTECTIVE LIABILITY COVERAGE PART
 UNDERGROUND STORAGE TANK COVERAGE PART

A. The provisions of Paragraph B. are added to all Insuring Agreements that set forth a duty to defend under:

1. Section I of the Commercial General Liability, Commercial Liability Umbrella, Employment related Practices Liability, Farm, Liquor Liability, Owners And Contractors Protective Liability, Pollution Liability, Products/Completed Operations Liability, Product Withdrawal, Medical Professional Liability, Railroad Protective Liability, Underground Storage Tank Coverage Parts, Auto Dealers Coverage Form and the Farm Umbrella Liability Policy;
2. Section II under the Auto Dealers, Business Auto and Motor Carrier Coverage Forms;
3. Section III under the Auto Dealers and Motor Carrier Coverage Forms;
4. Section A. Coverage under the Legal Liability Coverage Form; and

5. Coverage C – Mortgageholder's Liability under the Mortgageholders Errors And Omissions Coverage Form.

Paragraph B. also applies to any other provision in the policy that sets forth a duty to defend.

B. If we initially defend an insured ("insured") or pay for an insured's ("insured's") defense but later determine that the claim(s) is (are) not covered under this insurance, we will have the right to reimbursement for the defense costs we have incurred.

The right to reimbursement for the defense costs under this provision will only apply to defense costs we have incurred after we notify you in writing that there may not be coverage, and that we are reserving our rights to terminate the defense and seek reimbursement for defense costs.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART
STANDARD PROPERTY POLICY

A. Cap On Certified Terrorism Losses

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

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

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

B. Application Of Exclusions

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYMENT PRACTICES LIABILITY COVERAGE – ILLINOIS CHANGES

This endorsement modifies insurance provided under the following:

EMPLOYMENT PRACTICES LIABILITY INSURANCE COVERAGE PART

A. The term "spouse" is replaced by the following:

Spouse or party to a civil union recognized under Illinois law.

B. SECTION VII – DEFINITIONS, Paragraph 4. Is replaced by the following:

4. "Damages" means monetary amounts to which this insurance applies and which the insured is legally obligated to pay as judgments or awards, or as settlements to which we have agreed in writing.

"Damages" include:

- a.** Any portion of a judgment or award, to the extent allowed by law, that represents a multiple of the compensatory amounts, punitive or exemplary damages; and
- b.** Statutory attorney fees.

"Damages" do not include:

- (1)** Civil, criminal, administrative or other fines or penalties;
- (2)** "Non-monetary compensation";
- (3)** Liquidated Damages;
- (4)** Payroll or other taxes;
- (5)** That part of any "damages" awarded for the cost or replacement of any benefits due or alleged to be due to any current or former "employee", or any other claimant; including, but not limited to medical benefits, pension benefits, disability benefits, or stock benefits; or
- (6)** Punitive damages that arise from the insured's own willful misconduct; or
- (7)** Judgments or awards conferred upon you because of acts deemed uninsurable by law.

POLICY NUMBER:

IL 09 85 12 20

THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

SCHEDULE

SCHEDULE – PART I	
Terrorism Premium (Certified Acts) This premium is the total Certified Acts premium attributable to the following Coverage Part(s), Coverage Form(s) and/or Policy(ies):	
Additional information, if any, concerning the terrorism premium:	
SCHEDULE – PART II	
Federal share of terrorism losses	80%
(Refer to Paragraph B. in this endorsement.)	
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Disclosure Of Premium

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of your premium attributable to such coverage is shown in the Schedule of this endorsement or in the policy Declarations.

B. Disclosure Of Federal Participation In Payment Of Terrorism Losses

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals a percentage (as shown in Part II of the Schedule of this endorsement or in the policy Declarations) of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

C. Cap On Insurer Participation In Payment Of Terrorism Losses

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

LEAD LIABILITY EXCLUSION

The Liability Coverage is amended as follows:

EXCLUSIONS THAT APPLY TO ALL COVERAGES

The following are added:

We do not pay for:

1. actual or alleged **bodily injury** arising out of the ingestion, inhalation or absorption of lead in any form;
2. actual or alleged **property damage** (or **personal injury** or **advertising injury**, if provided by the Commercial Liability Coverage) arising out of any form of lead;
3. any loss, cost or expense arising out of any request, demand or order 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 lead; or
4. any loss, cost or expense arising out of any claim or suit by or on behalf of any governmental authority for damages resulting from testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing or in any way responding to or assessing the effects of lead.

ASBESTOS EXCLUSION

It is agreed that such insurance as is afforded by this policy shall not apply to any liability for bodily injury, personal injury, property damage, sickness, disease, occupational disease, disability, shock, death, mental anguish or mental injury, at any time, arising out of, resulting from, or contributed to the manufacture, distribution, handling, use or exposure to asbestos products, fibers, particles or dusts; nor shall it apply to any obligation of the Insured to indemnify any party because of damages arising out of, resulting from or contributed to by such bodily injury, personal injury, property damage, sickness, disease, occupational disease, disability, shock, death, mental anguish or mental injury, at any time, as a result of the manufacture, distribution, handling, use or exposure to asbestos products, fibers, particles or dusts.

Further, it is agreed that the Insurer shall not be obligated to defend any suit or claim against the Insured alleging bodily injury, personal injury, property damage, sickness, disease, disability, shock, death, mental anguish or mental injury, and seeking damages therefore, if such suit or claims arise from, or resulted from, or are contributed to by any manufacture, distribution, handling, use or exposure to asbestos products, fibers, particles and dusts.

It is further agreed that, for the purpose of this insurance, the limits of any underlying policy or policies shall be deemed not to have been diminished or exhausted by any losses, whether paid or not, which would have been excluded by this endorsement.

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

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

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

The word "insured" means any person or organization qualifying as such under Section II - Who Is An Insured.

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

SECTION I - COVERAGES

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
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- 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";

- (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" 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" 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" 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;
- (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

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

b. Contractual Liability

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

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable 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.

However, this exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of 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" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

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

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

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

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

(b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;

(c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:

(i) Any insured; or

(ii) Any person or organization for whom you may be legally responsible; or

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

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

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

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

(e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

(2) Any loss, cost or expense arising out of any:

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

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

g. Aircraft, Auto Or Watercraft

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

This exclusion applies even if the claims 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 where it is licensed or principally garaged; or
- (b) The operation of any of the machinery or equipment listed in Paragraph **f.(2)** or **f.(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 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 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.

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.

However, this exclusion does not apply to liability for damages because of "bodily injury".

As used in this exclusion, 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.

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

"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;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or

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

Exclusions c. 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.

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
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- 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 the 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, except an implied contract to use another's advertising idea in your "advertisement".

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. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

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

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

However, this exclusion does not apply to Paragraphs **14.a.**, **b.** and **c.** of "personal and advertising injury" under the Definitions section.

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

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

"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;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions 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.

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;
 - (2) On ways next to premises you own or rent; or
 - (3) Because of your operations;
- provided that:

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

SUPPLEMENTARY PAYMENTS - COVERAGES A AND B

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

- a. All expenses we incur.
- b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage 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 payments will not reduce the limits of insurance.

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

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

b. This insurance applies to such liability assumed by the insured;

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

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

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

f. The indemnitee:

(1) Agrees in writing to:

(a) Cooperate with us in the investigation, settlement or defense of the "suit";

(b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";

(c) Notify any other insurer whose coverage is available to the indemnitee; and

(d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and

(2) Provides us with written authorization to:

(a) Obtain records and other information related to the "suit"; and

(b) 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 - 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 f. above, are no longer met.

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 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 other "volunteer workers" while performing duties related to the conduct of your business;
 - (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1)(a) above;
 - (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph (1)(a) or (b) above; or
 - (d) Arising out of his or her providing or failing to provide professional health care services.
 - (2) "Property damage" to property:
 - (a) Owned, occupied or used by;
 - (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;

you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).
 - b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.
 - c. Any person or organization having proper temporary custody of your property if you die, but only:
 - (1) With respect to liability arising out of the maintenance or use of that property; and
 - (2) Until your legal representative has been appointed.
 - d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
 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 a Named Insured if there is no other similar insurance available to that organization. However:
 - a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
 - b. Coverage **A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
 - c. Coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.
- No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

SECTION III - LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".
2. The General Aggregate Limit 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"; and
 - c. Damages under Coverage **B**.

3. The Products-Completed Operations Aggregate Limit 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".
4. Subject to Paragraph **2.** above, the Personal And Advertising Injury Limit 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 is the most we will pay for the sum of:
 - a. Damages under Coverage **A**; and
 - b. Medical expenses under Coverage **C** because of all "bodily injury" and "property damage" arising out of any one "occurrence".
6. Subject to Paragraph **5.** above, the Damage To Premises Rented To You Limit 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.
7. Subject to Paragraph **5.** above, the Medical Expense Limit is the most we will pay under Coverage **C** for all medical expenses because of "bodily injury" sustained by any one person.

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

SECTION IV –COMMERCIAL GENERAL LIABILITY CONDITIONS

1. Bankruptcy

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

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
 - (1) How, when and where the "occurrence" or offense took place;
 - (2) The names and addresses of any injured persons and witnesses; and

- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.
- b. If a claim is made or "suit" is brought against any insured, you must:
 - (1) Immediately record the specifics of the claim or "suit" and the date received; and
 - (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
- c. You and any other involved insured must:
 - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
 - (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
 - (4) Assist us, upon our request, in the enforcement of any right against any person or organization 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.

3. Legal Action Against Us

No person or organization has a right under this Coverage Part:

- 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 Coverage Part 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 Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages **A** or **B** of this Coverage Part, 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";

(ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;

(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.** of Section **I - Coverage A - Bodily Injury And Property Damage Liability.**

(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.

(2) When this insurance is excess, we will have no duty under Coverages **A** or **B** 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 Coverage Part.

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. .

5. Premium Audit

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

b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period 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 need for premium computation, and send us copies at such times as we may request.

6. Representations

By accepting this policy, you agree:

a. The statements in the Declarations are accurate and complete;

- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

7. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part 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

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them

9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

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

SECTION V - DEFINITIONS

- 1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
 - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - b. Regarding 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.
- 2. "Auto" means:
 - a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
 - b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

- 3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
- 4. "Coverage territory" means:
 - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
 - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph a. above; or
 - c. All other parts of the world if the injury or damage arises out of:
 - (1) Goods or products made or sold by you in the territory described in Paragraph a. above;
 - (2) The activities of a person whose home is in the territory described in Paragraph a. above, but is away for a short time on your business; or
 - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication; provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in Paragraph a. above or in a settlement we agree to.
- 5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
- 6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.
- 7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
- 8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
 - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement;
 if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.

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

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

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, 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 (2) above and supervisory, inspection, architectural or engineering activities.

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

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

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

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

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

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, 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 where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
 - a. False arrest, detention or imprisonment;
 - b. Malicious prosecution;
 - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
 - d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
 - f. The use of another's advertising idea in your "advertisement"; or
 - g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".
15. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

16. "Products-completed operations hazard":

- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

- (1) Products that are still in your physical possession; or
- (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
 - (a) When all of the work called for in your contract has been completed.
 - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
 - (c) When that part of the work done at 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.

17. "Property damage" means:

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

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

As used in this definition, electronic data means information, facts or programs stored as 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.

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

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

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

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

21. "Your product":

- 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.

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

22. "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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ILLINOIS CHANGES – CONDOMINIUMS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. Section II – Who Is An Insured** is amended to include the following as an insured:
1. The developer in the developer's capacity as a unit owner, but only with respect to the developer's liability arising out of the ownership, maintenance or repair of that portion of the premises which is not owned solely by the developer. However, the insurance afforded with respect to the developer does not apply to liability for acts or omissions as a developer.
 2. Each other unit owner and secured party of the described condominium, but only with respect to liability arising out of the ownership, maintenance or repair of that portion of the premises which is not owned solely by the unit-owner.
 3. Any agent of yours, and any "employee" or agent of the management agency, while acting within the scope of their duties for you. However, no agent of yours, or agent or "employee" of the management agency is an insured for:
 - a. "Bodily injury" or "personal and advertising injury":
 - (1) To a co-"employee" while that co-"employee" is either in the course of his or her employment or performing his or her duties related to the conduct of your business;
 - (2) To the spouse, child, parent, brother or sister of that co-"employee" as a consequence of Paragraph **a.(1)** above;
 - (3) To you or an employer, or if the employer is a partnership or joint venture, any partners or members or, if the employer is a limited liability company, any member;
 - (4) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph **a.(1), (2)** or **(3)** above; or
 - (5) Arising out of his or her providing or failing to provide professional health care services.
 - b. "Property damage" to property:
 - (1) Owned, occupied or used by,
 - (2) 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".
- B. The following is added to Paragraph 8. – Transfer Of Rights Of Recovery Against Others To Us (Section IV – Commercial General Liability Conditions):**
- We waive any rights which the Transfer Of Rights Of Recovery Against Others To Us Condition may give us against:
- a. Any unit-owner of the condominium or members of the unit-owner's household;
 - b. The condominium association; and
 - c. Members of the board of directors for acts or omissions within the scope of their duties for you.
- The unit-owner waives any rights of subrogation under this policy against the association and the board of directors.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ILLINOIS CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
PRODUCT WITHDRAWAL COVERAGE PART

A. Cancellation (Common Policy Conditions) is replaced by the following:

CANCELLATION

1. The first Named Insured shown in the Declarations may cancel this policy by mailing to us advance written notice of cancellation.
2. We may cancel this policy by mailing to you written notice stating the reason for cancellation. If we cancel:
 - a. For nonpayment of premium, we will mail the notice at least 10 days prior to the effective date of cancellation.
 - b. For a reason other than nonpayment of premium, we will mail the notice at least:
 - (1) 30 days prior to the effective date of cancellation if the policy has been in effect for 60 days or less.
 - (2) 60 days prior to the effective date of cancellation if the policy has been in effect for more than 60 days.
3. If this policy has been in effect for more than 60 days, we may cancel only for one or more of the following reasons:
 - a. Nonpayment of premium;
 - b. The policy was obtained through a material misrepresentation;
 - c. Any insured has violated any of the terms and conditions of the policy;
 - d. The risk originally accepted has measurably increased;
 - e. Certification to the Director of Insurance of the loss of reinsurance by the insurer that provided coverage to us for all or a substantial part of the underlying risk insured;
or

f. A determination by the Director of Insurance that the continuation of the policy could place us in violation of the insurance laws of this State.

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 will be less than pro rata. The cancellation will be effective even if we have not offered a refund.
- B.** The following is added and supersedes any provision to the contrary:

NONRENEWAL

If we decide not to renew or continue this policy, we will mail you and your agent or broker written notice, stating the reason for nonrenewal, at least 60 days before the end of the policy period. If we offer to renew or continue and you do not accept, this policy will terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.

If we fail to mail proper written notice of nonrenewal and you obtain other insurance, this policy will end on the effective date of that insurance.

C. Mailing Of Notices

We will mail cancellation and nonrenewal notices to you, and the agent or broker, at the last addresses known to us. Proof of mailing will be sufficient proof of notice.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DEDUCTIBLE LIABILITY INSURANCE

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

Coverage	SCHEDULE	Amount and Basis of Deductible PER CLAIM or PER OCCURRENCE	
Bodily Injury Liability		\$	\$
OR			
Property Damage Liability		\$	\$ 500
OR			
Bodily Injury Liability and/or Property Damage Liability Combined		\$	\$

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

APPLICATION OF ENDORSEMENT (Enter below any limitations on the application of this endorsement. If no limitation is entered, the deductibles apply to damages for all "bodily injury" and "property damage", however caused):

- A.** Our obligation under the Bodily Injury Liability and Property Damage Liability Coverages to pay damages on your behalf applies only to the amount of damages in excess of any deductible amounts stated in the Schedule above as applicable to such coverages.
- B.** You may select a deductible amount on either a per claim or a per "occurrence" basis. Your selected deductible applies to the coverage option and to the basis of the deductible indicated by the placement of the deductible amount in the Schedule above. The deductible amount stated in the Schedule above applies as follows:
 - 1. PER CLAIM BASIS.** If the deductible amount indicated in the Schedule above is on a per claim basis, that deductible applies as follows:
 - a.** Under Bodily Injury Liability Coverage, to all damages sustained by any one person because of "bodily injury";
 - b.** Under Property Damage Liability Coverage, to all damages sustained by any one person because of "property damage"; or
 - c.** Under Bodily Injury Liability and/or Property Damage Liability Coverage Combined, to all damages sustained by any one person because of:
 - (1)** "Bodily injury";
 - (2)** "Property damage"; or
 - (3)** "Bodily injury" and "property damage" combined

as the result of any one "occurrence".
If damages are claimed for care, loss of services or death resulting at any time from "bodily injury", a separate deductible amount will be applied to each person making a claim for such damages.
With respect to "property damage", person includes an organization.

2. PER OCCURRENCE BASIS. If the deductible amount indicated in the Schedule above is on a "per occurrence" basis, that deductible amount applies as follows:

- a. Under Bodily Injury Liability Coverage, to all damages because of "bodily injury";
- b. Under Property Damage Liability Coverage, to all damages because of "property damage"; or
- c. Under Bodily Injury Liability and/or Property Damage Liability Coverage Combined, to all damages because of:
 - (1) "Bodily injury";
 - (2) "Property damage"; or
 - (3) "Bodily injury" and "property damage" combined

as the result of any one "occurrence", regardless of the number of persons or organizations who sustain damages because of that "occurrence".

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.

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – PERFLUOROALKYL AND POLYFLUOROALKYL SUBSTANCES (PFAS)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. The following exclusion is added to Paragraph 2. Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:**
- 2. Exclusions**
- This insurance does not apply to:
- Perfluoroalkyl And Polyfluoroalkyl Substances**
- a. "Bodily injury" or "property damage" which would not have occurred, in whole or in part, but for the actual, alleged, threatened or suspected inhalation, ingestion, absorption, consumption, discharge, dispersal, seepage, migration, release or escape of, contact with, exposure to, existence of, or presence of, any "perfluoroalkyl or polyfluoroalkyl substances".
 - b. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "perfluoroalkyl or polyfluoroalkyl substances", by any insured or by any other person or entity.
- B. The following exclusion is added to Paragraph 2. Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**
- 2. Exclusions**
- This insurance does not apply to:
- Perfluoroalkyl And Polyfluoroalkyl Substances**
- a. "Personal and advertising injury" which would not have taken place, in whole or in part, but for the actual, alleged, threatened or suspected inhalation, ingestion, absorption, consumption, discharge, dispersal, seepage, migration, release or escape of, contact with, exposure to, existence of, or presence of, any "perfluoroalkyl or polyfluoroalkyl substances".
 - b. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "perfluoroalkyl or polyfluoroalkyl substances", by any insured or by any other person or entity.

C. The following definition is added to the **Definitions** Section:

"Perfluoroalkyl or polyfluoroalkyl substances" means any:

1. Chemical or substance that contains one or more alkyl carbons on which hydrogen atoms have been partially or completely replaced by fluorine atoms, including but not limited to:
 - a. Polymer, oligomer, monomer or nonpolymer chemicals and their homologues, isomers, telomers, salts, derivatives, precursor chemicals, degradation products or by-products;
 - b. Perfluoroalkyl acids (PFAA), such as perfluorooctanoic acid (PFOA) and its salts, or perfluorooctane sulfonic acid (PFOS) and its salts;
 - c. Perfluoropolyethers (PFPE);
 - d. Fluorotelomer-based substances; or
 - e. Side-chain fluorinated polymers; or
2. Good or product, including containers, materials, parts or equipment furnished in connection with such goods or products, that consists of or contains any chemical or substance described in Paragraph **C.1**.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. Exclusion 2.p. of **Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

2. Exclusions

This insurance does not apply to:

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

Damages arising out of:

- (1) Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- (2) The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

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

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

As used in this exclusion, electronic data means information, facts or 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.

- B. The following is added to Paragraph 2. **Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

2. Exclusions

This insurance does not apply to:

Access Or Disclosure Of Confidential Or Personal Information

"Personal and advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information. This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal information.

POLICYHOLDER NOTICE

DISCLOSURE OF PRIVATE DATA EXCLUSION

This Notice does not form part of your policy. No coverage is provided by this Notice nor can it be construed to replace any provision of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided. If there is any conflict between the Policy and this Notice, **THE PROVISIONS OF THE POLICY SHALL PREVAIL.**

This Notice provides information concerning the following new endorsement which applies to your renewal policy being issued by us:

CG21060514, EXCLUSION - ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION AND DATA- RELATED LIABILITY - WITH LIMITED BODILY INJURY EXCEPTION.

This endorsement broadly excludes claims or lawsuits for damages or costs arising out of any access or the disclosure of a person's or organization's confidential or personal information. This includes patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SILICA OR SILICA-RELATED DUST EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:

2. Exclusions

This insurance does not apply to:

Silica Or Silica-Related Dust

- a. "Bodily injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, or ingestion of, "silica" or "silica-related dust".
- b. "Property damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
- c. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.

B. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:

2. Exclusions

This insurance does not apply to:

Silica Or Silica-Related Dust

- a. "Personal and advertising injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
- b. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.

C. The following definitions are added to the Definitions Section:

- 1. "Silica" means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.
- 2. "Silica-related dust" means a mixture or combination of silica and other dust or particles.

TOTAL POLLUTION EXCLUSION WITH A HOSTILE FIRE EXCEPTION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Exclusion f. under Paragraph 2., **Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

This insurance does not apply to:

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.

This exclusion does not apply to "bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire" unless that "hostile fire" occurred or originated:

- (a) At any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste; or
- (b) At any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations to test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to, or assess the effects of, "pollutants".
- (2) Any loss, cost or expense arising out of any:
- (a) Request, demand, 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".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FUNGI OR BACTERIA EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A.** The following exclusion is added to Paragraph 2. **Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:**
- 2. Exclusions**
- This insurance does not apply to:
- Fungi Or Bacteria**
- a.** "Bodily injury" or "property damage" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.
 - b.** Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.
- This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for bodily consumption.
- B.** The following exclusion is added to Paragraph 2. **Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**
- 2. Exclusions**
- This insurance does not apply to:
- Fungi Or Bacteria**
- a.** "Personal and advertising injury" which would not have taken place, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury.
 - b.** Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.
- C.** The following definition is added to the **Definitions** Section:
- "Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF OTHER ACTS OF TERRORISM COMMITTED OUTSIDE THE UNITED STATES; CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

A. The following exclusion is added:

This insurance does not apply to:

TERRORISM

"Any injury or damage" arising, directly or indirectly, out of an "other act of terrorism" that is committed outside of the United States (including its territories and possessions and Puerto Rico), but within the "coverage territory". However, this exclusion applies only when one or more of the following are attributed to such act:

1. The total of insured damage to all types of property exceeds \$25,000,000 (valued in U.S. dollars). In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the terrorism and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or
2. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
 - a. Physical injury that involves a substantial risk of death; or
 - b. Protracted and obvious physical disfigurement; or

c. Protracted loss of or impairment of the function of a bodily member or organ; or

3. The terrorism involves the use, release or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or
4. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
5. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.

With respect to this exclusion, Paragraphs 1. and 2. describe the thresholds used to measure the magnitude of an incident of an "other act of terrorism" and the circumstances in which the threshold will apply for the purpose of determining whether this exclusion will apply to that incident.

B. The following definitions are added:

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

2. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:
 - a. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act;
 - b. The act resulted in damage:
 - (1) Within the United States (including its territories and possessions and Puerto Rico); or
 - (2) Outside of the United States in the case of:
 - (a) An air carrier (as defined in Section 40102 of title 49, United States Code) or United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs; or
 - (b) The premises of any United States mission; and
 - c. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

3. "Other act of terrorism" means a violent act or an act that is dangerous to human life, property or infrastructure that is committed by an individual or individuals and that appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion, and the act is not a "certified act of terrorism".

Multiple incidents of an "other act of terrorism" which occur within a seventy-two hour period and appear to be carried out in concert or to have a related purpose or common leadership shall be considered to be one incident.

 - C. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.
 - D. If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF PUNITIVE DAMAGES RELATED TO A CERTIFIED ACT OF TERRORISM

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

A. The following exclusion is added:

This insurance does not apply to:

TERRORISM PUNITIVE DAMAGES

Damages arising, directly or indirectly, out of a "certified act of terrorism" that are awarded as punitive damages.

B. The following definition is added:

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

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and

2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
LIQUOR LIABILITY COVERAGE PART
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
POLLUTION LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
RAILROAD PROTECTIVE LIABILITY COVERAGE PART
UNDERGROUND STORAGE TANK POLICY

A. Applicability Of The Provisions Of This Endorsement

1. The provisions of this endorsement become applicable commencing on the date when any one or more of the following first occurs. But if your policy (meaning the policy period in which this endorsement applies) begins after such date, then the provisions of this endorsement become applicable on the date your policy begins.
 - a. The federal Terrorism Risk Insurance Program ("Program"), established by the Terrorism Risk Insurance Act, has terminated with respect to the type of insurance provided under this Coverage Part or Policy; or
 - b. A renewal, extension or replacement of the Program has become effective without a requirement to make terrorism coverage available to you and with revisions that:
 - (1) Increase our statutory percentage deductible under the Program for terrorism losses. (That deductible determines the amount of all certified terrorism losses we must pay in a calendar year, before the federal government shares in subsequent payment of certified terrorism losses.); or
 - (2) Decrease the federal government's statutory percentage share in potential terrorism losses above such deductible; or
 - (3) Redefine terrorism or make insurance coverage for terrorism subject to provisions or requirements that differ from those that apply to other types of events or occurrences under this policy.
2. If the provisions of this endorsement become applicable, such provisions:
 - a. Supersede any terrorism endorsement already endorsed to this policy that addresses "certified acts of terrorism" and/or "other acts of terrorism", but only with respect to an incident(s) of terrorism (however defined) which results in injury or damage that occurs on or after the date when the provisions of this endorsement become applicable (for claims made policies, such an endorsement is superseded only with respect to an incident of terrorism (however defined) that results in a claim for injury or damage first being made on or after the date when the provisions of this endorsement become applicable); and
 - b. Remain applicable unless we notify you of changes in these provisions, in response to federal law.

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

B. The following definitions are added and apply under this endorsement wherever the term terrorism, or the phrase any injury or damage, are enclosed in quotation marks:

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

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

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

b. When one or both of the following applies:

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

2. "Any injury or damage" means any injury or damage covered under any Coverage Part or Policy to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage", "personal and advertising injury", "injury" or "environmental damage" as may be defined in any applicable Coverage Part or Policy.

C. The following exclusion is added:

EXCLUSION OF TERRORISM

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

1. The "terrorism" is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
2. Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material; or
3. The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials; or
5. The total of insured damage to all types of property exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the "terrorism" and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or
6. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
 - a. Physical injury that involves a substantial risk of death; or
 - b. Protracted and obvious physical disfigurement; or
 - c. Protracted loss of or impairment of the function of a bodily member or organ.

Multiple incidents of "terrorism" which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the thresholds in Paragraphs **C.5.** or **C.6.** are exceeded.

With respect to this Exclusion, Paragraphs **C.5.** and **C.6.** describe the threshold used to measure the magnitude of an incident of "terrorism" and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an incident of "terrorism", there is no coverage under this Coverage Part or Policy.

In the event of any incident of "terrorism" that is not subject to this Exclusion, coverage does not apply to "any injury or damage" that is otherwise excluded under this Coverage Part or Policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF PERSONAL AND ADVERTISING INJURY DEFINITION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

With respect to **Coverage B Personal And Advertising Injury Liability**, Paragraph **14.e.** of the **Definitions** section does not apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT

(Broad Form)

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
 COMMERCIAL GENERAL LIABILITY COVERAGE PART
 FARM COVERAGE PART
 LIQUOR LIABILITY COVERAGE PART
 MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
 OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
 POLLUTION LIABILITY COVERAGE PART
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
 RAILROAD PROTECTIVE LIABILITY COVERAGE PART
 UNDERGROUND STORAGE TANK POLICY

1. The insurance does not apply:
 - A. Under any Liability Coverage, to "bodily injury" or "property damage":
 - (1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
 - (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
 - B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.
 - C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:
 - (1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;
 - (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
 - (3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.
2. As used in this endorsement:

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "special nuclear material" or "by-product material".

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

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

"Waste" means any waste material **(a)** containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and **(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".

"Nuclear facility" means:

- (a)** Any "nuclear reactor";
- (b)** Any equipment or device designed or used for **(1)** separating the isotopes of uranium or plutonium, **(2)** processing or utilizing "spent fuel", or **(3)** handling, processing or packaging "waste";

(c) Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

(d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

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

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

"Property damage" includes all forms of radioactive contamination of property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ILLINOIS CHANGES – CIVIL UNION

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART
 COMMERCIAL GENERAL LIABILITY COVERAGE PART
 COMMERCIAL LIABILITY UMBRELLA COVERAGE PART
 FARM COVERAGE PART
 FARM UMBRELLA LIABILITY POLICY
 LIQUOR LIABILITY COVERAGE PART
 MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
 OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART
 POLLUTION LIABILITY COVERAGE PART
 PRODUCT WITHDRAWAL COVERAGE PART
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART
 UNDERGROUND STORAGE TANK POLICY

A. The term "spouse" is replaced by the following:

Spouse or party to a civil union recognized under Illinois law.

B. Under the Commercial Auto Coverage Part, the term "family member" is replaced by the following:

"Family member" means a person related to the:

1. Individual Named Insured by blood, adoption, marriage or civil union recognized under Illinois law, who is a resident of such Named Insured's household, including a ward or foster child; or
2. Individual named in the Schedule by blood, adoption, marriage or civil union recognized under Illinois law, who is a resident of the individual's household, including a ward or foster child, if the Drive Other Car Coverage – Broadened Coverage For Named Individual Endorsement is attached.

C. With respect to coverage for the ownership, maintenance, or use of "covered autos" provided under the Commercial Liability Umbrella Coverage Part, the term "family member" is replaced by the following:

"Family member" means a person related to you by blood, adoption, marriage or civil union recognized under Illinois law, who is a resident of your household, including a ward or foster child.

ROCKFORD MUTUAL INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EQUIPMENT BREAKDOWN COVERAGE

This endorsement modifies insurance provided under the following:

BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CONDOMINIUM ASSOCIATION COVERAGE FORM
CONDOMINIUM COMMERCIAL UNIT-OWNERS COVERAGE FORM
CAUSES OF LOSS-- BASIC FORM
CAUSES OF LOSS-- BROAD FORM
CAUSES OF LOSS-- SPECIAL FORM

- A. The following is added as an Additional Coverage to the Causes of Loss— Basic Form, Broad Form or Special Form.

Additional Coverage-- Equipment Breakdown

The term Covered Cause of Loss includes the Additional Coverage Equipment Breakdown as described and limited below.

1. We will pay for direct physical damage to Covered Property that is the direct result of an “accident.” As used in this Additional Coverage, “accident” means a fortuitous event that causes direct physical damage to “covered equipment.” The event must be one of the following:
 - a. mechanical breakdown, including rupture or bursting caused by centrifugal force;
 - b. artificially generated electrical, magnetic or electromagnetic energy, including electric arcing, that damages, disturbs, disrupts or otherwise interferes with any electrical or electronic wire, device, appliance, system or network;
 - c. explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control;
 - d. loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
 - e. loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.
2. The following coverages also apply to the direct result of an “accident.” These coverages do not provide additional amounts of insurance.
 - a. **Expediting Expenses**

With respect to your damaged Covered Property, we will pay the reasonable extra cost to:

 - (1) make temporary repairs; and
 - (2) expedite permanent repairs or permanent replacement.

The most we will pay for loss or expense under this coverage is \$100,000.
 - b. **Hazardous Substances**

We will pay for the additional cost to repair or replace Covered Property because of contamination by a “hazardous substance.” This includes the additional expenses to clean up or dispose of such property.
This does not include contamination of “perishable goods” by refrigerant, including but not limited to ammonia, which is addressed in 2.c.(1)(b) below. As used in this coverage, additional costs mean those beyond what would have been

payable under this Equipment Breakdown Coverage had no “hazardous substance” been involved.

The most we will pay for loss, damage or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$100,000.

c. Spoilage

(1) We will pay:

- (a) for physical damage to “perishable goods” due to spoilage;
- (b) for physical damage to “perishable goods” due to contamination from the release of refrigerant, including but not limited to ammonia;
- (c) any necessary expenses you incur to reduce the amount of loss under this coverage to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.

(2) If you are unable to replace the “perishable goods” before its anticipated sale, the amount of our payment will be determined on the basis of the sales price of the “perishable goods” at the time of the “accident,” less discounts and expenses you otherwise would have had. Otherwise our payment will be determined in accordance with the Valuation condition.

The most we will pay for loss, damage or expense under this coverage is \$100,000.

d. Computer Equipment

We will pay for loss, damage or expense caused by or resulting from an “accident” to “computers.”

The most we will pay for loss or damage under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is the applicable Limit of Insurance shown on the Declarations.

e. Data Restoration

We will pay for your reasonable and necessary cost to research, replace and restore lost “data.”

The most we will pay for loss or expense under this coverage, including actual loss of Business Income you sustain and necessary Extra Expense you incur, if shown as covered, is \$100,000.

f. Service Interruption

- (1) Any insurance provided for Business Income, Extra Expense or Spoilage is extended to apply to your loss, damage or expense caused by the interruption of utility services. The interruption must result from an “accident” to equipment, including overhead transmission lines, that is owned by a utility, landlord, a landlord’s utility or other supplier who provides you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, wide area networks or data transmission. The equipment must meet the definition of “covered equipment” except that it is not Covered Property.
- (2) We will not pay for any loss of Business Income you sustain that results from the interruption of utility services during the first 24 hours following the “accident.” However, if the “period of restoration” begins more than 24 hours after the time of the direct physical damage for Business Income, then that time period will apply instead of the 24 hours provided for in this paragraph.

- (3) The most we will pay in any "one accident" for loss, damage or expense under this coverage is the applicable limit for Business Income, Extra Expense or Spoilage.
- g. Business Income and Extra Expense
Any insurance provided under this coverage part for Business Income or Extra Expense is extended to the coverage provided by this endorsement. The most we will pay for loss or expense under this coverage is the applicable limit for Business Income and Extra Expense.

3. EXCLUSIONS

All exclusions in the Causes of Loss form apply except as modified below and to the extent that coverage is specifically provided by this Additional Coverage Equipment Breakdown.

- a. The following exclusions are modified:
 - (1) If the Causes of Loss -- Basic Form or Causes of Loss -- Broad Form applies, the following is added to Exclusion B.2.:
Depletion, deterioration, corrosion, erosion, wear and tear, or other gradually developing conditions. However, if an "accident" results, we will pay for the resulting loss, damage or expense caused by that "accident."
 - (2) The following is added to Exclusion B.1.g.:
However, if electrical "covered equipment" requires drying out because of Water as described in g.(1) through g.(3) above, we will pay for the direct expenses of such drying out subject to the applicable Limit of Insurance and deductible for Building or Business Personal Property, whichever applies.
 - (3) If the Causes of Loss—Special Form applies, as respects this endorsement only, the last paragraph of Exclusion B.2.d. is deleted and replaced with the following:
But if an excluded cause of loss that is listed in 2.d.(1) through (7) results in an "accident," we will pay for the loss, damage or expense caused by that "accident."
 - b. The following exclusions are added:
 - (1) We will not pay for loss, damage or expense caused by or resulting from:
 - (a) your failure to use all reasonable means to protect Covered Property from damage following an "accident";
 - (b) a hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel, or an electrical insulation breakdown test of any type of electrical equipment; or
 - (c) any of the following:
 - (i) defect, programming error, programming limitation, computer virus, malicious code, loss of "data," loss of access, loss of use, loss of functionality or other condition within or involving "data" or "media" of any kind; or
 - (ii) misalignment, miscalibration, tripping off-line, or any condition which can be corrected by resetting, tightening, adjusting or cleaning, or by the performance of maintenance.
- However, if an "accident" results, we will pay for the resulting loss, damage or expense caused by that "accident."

- (2) With respect to Service Interruption coverage, we will also not pay for an "accident" caused by or resulting from: fire; lightning; windstorm or hail; explosion (except as specifically provided in A.1.c. above); smoke; aircraft or vehicles; riot or civil commotion; vandalism; sprinkler leakage; falling objects; weight of snow, ice or sleet; freezing; collapse; flood or earth movement.
- (3) With respect to Business Income, Extra Expense and Service Interruption coverages, we will also not pay for:
 - (a) loss caused by your failure to use due diligence and dispatch and all reasonable means to resume business; or
 - (b) any increase in loss resulting from an agreement between you and your customer or supplier.
- (4) We will not pay for loss, damage or expense caused directly or indirectly by the following, whether or not caused by or resulting from an "accident": Any mold, fungus, mildew or yeast, including any spores or toxins produced by or emanating from such mold, fungus, mildew or yeast. This includes, but is not limited to, costs arising from clean up, removal, or abatement of such mold, fungus, mildew or yeast, spores or toxins. However, this exclusion does not apply to spoilage of personal property that is "perishable goods," to the extent that spoilage is covered under Spoilage coverage.
- (5) We will not pay for any loss or damage to animals.

4. DEFINITIONS

The following definitions are added:

- a. "Computer equipment" means Covered Property that is electronic computer or other data processing equipment, including "media" and peripherals used in conjunction with such equipment.
- b. "Covered equipment"
 - (1) "Covered equipment" means Covered Property:
 - (a) that generates, transmits or utilizes energy, including electronic communications and data processing equipment; or
 - (b) which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.
 - (2) None of the following is "covered equipment":
 - (a) structure, foundation, cabinet, compartment or air supported structure or building;
 - (b) insulating or refractory material;
 - (c) sewer piping, buried vessels or piping, or piping forming a part of a sprinkler or fire suppression system;
 - (d) water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
 - (e) "vehicle" or any equipment mounted on a "vehicle";
 - (f) satellite, spacecraft or any equipment mounted on a satellite or spacecraft;
 - (g) dragline, excavation or construction equipment; or
 - (h) equipment manufactured by you for sale.
- c. "Data" means information or instructions stored in digital code capable of being processed by machinery.
- d. "Hazardous substance" means any substance that is hazardous to health or has been declared to be hazardous to health by a governmental agency.

- e. "Media" means material on which "data" is recorded, such as magnetic tapes, hard disks, optical disks or floppy disks.
- f. "One accident" means: If an initial "accident" causes other "accidents," all will be considered "one accident." All "accidents" that are the result of the same event will be considered "one accident."
- g. "Perishable goods" means personal property maintained under controlled conditions for its preservation, and susceptible to loss or damage if the controlled conditions change.
- h. "Vehicle" means, as respects this endorsement only, any machine or apparatus that is used for transportation or moves under its own power. "Vehicle" includes, but is not limited to, car, truck, bus, trailer, train, aircraft, watercraft, forklift, bulldozer, tractor or harvester.
However, any property that is stationary, permanently installed at a covered location and that receives electrical power from an external power source will not be considered a "vehicle."

- B. The Building and Personal Property Coverage Form, Condominium Association Coverage Form, and Condominium Commercial Unit-Owners Coverage Form are modified as follows. The definitions stated above also apply to section B. of this endorsement.

CONDITIONS

The following conditions are in addition to the Conditions in the Building and Personal Property Coverage Form, the Commercial Property Conditions and the Common Policy Conditions.

1. Suspension
Whenever "covered equipment" is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss from an "accident" to that "covered equipment." This can be done by mailing or delivering a written notice of suspension to:
 - a. your last known address; or
 - b. the address where the "covered equipment" is located.
 Once suspended in this way, your insurance can be reinstated only by an endorsement for that "covered equipment." If we suspend your insurance, you will get a pro rata refund of premium for that "covered equipment" for the period of suspension. But the suspension will be effective even if we have not yet made or offered a refund.
2. Jurisdictional Inspections
If any property that is "covered equipment" under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf. We do not warrant that conditions are safe or healthful.
3. Environmental, Safety and Efficiency Improvements
If "covered equipment" requires replacement due to an "accident," we will pay your additional cost to replace with equipment that is better for the environment, safer or more efficient than the equipment being replaced.
However, we will not pay more than 125% of what the cost would have been to replace with like kind and quality. This condition does not increase any of the applicable limits. This condition does not apply to any property to which Actual Cash Value applies.

The most we will pay for loss, damage or expense under this endorsement arising from any "one accident" is the applicable Limit of Insurance in the Declarations. Coverage provided under this endorsement does not provide an additional amount of insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONDOMINIUM, CO-OP, ASSOCIATION – DIRECTORS AND OFFICERS LIABILITY ENDORSEMENT ILLINOIS

**THIS ENDORSEMENT PROVIDES CLAIMS-MADE COVERAGE.
PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY.**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

SCHEDULE

Named Association: Cottage Acres Homeowners Association	
Directors And Officers Liability Annual Aggregate Limit Of Insurance:	\$ \$1,000,000
Deductible:	\$ \$2,500
Pending Or Prior Litigation Date: 01/21/2022	Retroactive Date: 01/21/2022
<input type="checkbox"/> Extended Reporting Period	
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. The following coverage is added:

CONDOMINIUM, CO-OP, AND OFFICERS LIABILITY COVERAGE

1. Insuring Agreement – Management Liability

- a.** We will pay on behalf of an "insured person" any "loss" which the "insured person" becomes legally obligated to pay as a result of a "claim" first made against that "insured person" during the policy period or during the Extended Reporting Period, if purchased, as described in Paragraph **G.**, except to the extent that the "association" has indemnified the "insured person" for such "loss".

However, this insurance applies only to a "claim" arising out of a "wrongful act" committed by the "insured person" which occurs on or after the Retroactive Date, if any, shown in the Schedule, and before the end of the policy period.

- b.** If a "claim" against an "insured person" includes a "claim" against the "insured person's" "spouse" (whether such status is derived by reason of statutory or common law, or any other law of any country) solely by reason of:

- (1)** Such spousal status; or
(2) Such "spouse's" ownership interest in property or assets that are sought as recovery for the "wrongful act" committed or allegedly committed by the "insured person";

all "loss" which such "spouse" becomes legally obligated to pay by reason of such "claim" will be treated for the purposes of this endorsement as "loss" which the "insured person" becomes legally obligated to pay as a result of the "claim" made against such "insured person". Such "loss" to the "spouse" will be covered under this endorsement only if and to the extent that such "loss" would be covered if incurred by the "insured person".

However, this Paragraph **b.** does not apply to a "claim" arising out of any "wrongful act" committed or allegedly committed by the "insured person's" "spouse".

c. This insurance also applies to "claims" arising out of the "wrongful acts" of an "insured person" made against:

- (1) The estate, heirs or legal representatives of a deceased "insured person"; and
- (2) The legal representative of that "insured person" in the event of incompetency, insolvency or bankruptcy.

However, this Paragraph **c.** only applies to "claims" if and to the extent that, in the absence of such death, incompetency, insolvency or bankruptcy of the "insured person", such "claims" would have been covered by this insurance according to all applicable terms, conditions and exclusions.

2. Insuring Agreement – Association Reimbursement

We will pay on behalf of the "association" any "loss" for which the "association" has indemnified an "insured person", as permitted or required by law, and which the "insured person" becomes legally obligated to pay as a result of a "claim" first made against that "insured person" (or an "insured person's" "spouse" or any other party granted the rights of an "insured person" under Paragraph **1.**) during the policy period or during the Extended Reporting Period, if purchased, as described in Paragraph **G.**

However, this insurance applies only to a "claim" arising out of a "wrongful act" committed by the "insured person" which occurs on or after the Retroactive Date, if any, shown in the Schedule, and before the end of the policy period.

3. Insuring Agreement – Association Liability

We will pay on behalf of the "association" any "loss" which the "association" becomes legally obligated to pay as a result of a "claim" first made against the "association" during the policy period or during the Extended Reporting Period, if purchased, as described in Paragraph **G.**

However, this insurance applies only to a "claim" arising out of a "wrongful act" committed by the "association" which occurs on or after the Retroactive Date, if any, shown in the Schedule, and before the end of the policy period.

4. Defense And Settlement

We will have the right and duty to defend any "claim" made against the insured under Paragraph **A.** of this endorsement. However, we will have no duty to defend the insured against any "claim" because of a "wrongful act" to which this insurance does not apply. We may, at our discretion, investigate any incident that may result in a "loss". We may, with your written consent, settle any "claim".

All "claims" arising out of the same "wrongful act" or "interrelated wrongful acts" committed by one or more "insured persons" shall be considered a single "claim". Such single "claim" shall be deemed to be first made on the date the initial "claim" arising out of such "wrongful act" or "interrelated wrongful acts" was first made pursuant to Paragraph **E.** or notice of such "wrongful act" or "interrelated wrongful acts" was first reported pursuant to Paragraph **E.**

B. For the purposes of the coverage provided by this endorsement, Paragraph **B. Exclusions, Subparagraph 1. Applicable To Business Liability Coverage** is replaced by the following:

This insurance does not apply to any "loss" resulting from any "claim":

- a.** Arising out of any dishonest, malicious, fraudulent or deliberately criminal act or any willful violation of any statute or regulation.
- b.** For "bodily injury".
- c.** For mental or emotional distress, except when allegations of mental or emotional distress are made in a "claim" arising from a "wrongful employment practices act".
- d.** For "property damage".
- e.** Arising out of the gaining of any profit, remuneration or advantage to which any insured was not legally entitled.
- f.** Arising out of the actual or alleged transmission of a "communicable disease".

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

- (1) Supervising, hiring, employing, training or monitoring of others that may be infected with and spread a "communicable disease";
 - (2) Testing for a "communicable disease";
 - (3) Failure to prevent the spread of the "communicable disease"; or
 - (4) Failure to report the "communicable disease" to authorities.
- g.** Arising out of a "wrongful act" or "interrelated wrongful act" that has occurred before the Retroactive Date, if any, shown in the Schedule.

- h. Arising out of the same facts, "wrongful acts" or "interrelated wrongful acts", alleged or contained in any "claim" which has been reported, or in any circumstances of which notice has been given:
 - (1) During a prior policy period of this Policy; or
 - (2) Under any insurance policy of which this Policy is a replacement.
- i. Arising out of any demand, "suit" or other proceeding against any insured which was pending on or existed prior to the applicable Pending Or Prior Litigation Date shown in the Schedule, or arising out of the same or substantially the same facts, circumstances or allegations which are the subject of, or the basis for, such demand, "suit" or other proceeding.
- j. Arising out of any actual or alleged failure or omission on the part of any insured to effect or maintain insurance, except if such "claim" arises out of the actual or alleged failure or omission on the part of any insured related to the placement or adequacy of insurance.
- k. Arising out of any "wrongful act" committed or allegedly committed by any "insured person" serving in any position or capacity in any organization or association other than the "association" even if the "association" directed or requested that "insured person" to serve in such other position or capacity.
- l. Brought by or on behalf of the "association" or any "insured person", in any capacity, except:
 - (1) A "claim" that is a derivative action brought on behalf of the "association" by one or more unit-owners who are not "insured persons" and who bring the "claim" without the solicitation, assistance or participation of any "insured person" or the "association"; or
 - (2) A "claim" arising out of a "wrongful employment practices act".
- m. For an actual or alleged violation of the Employee Retirement Income Security Act of 1974 and its amendments, or similar provisions of any federal, state, local or statutory law or common law.
- n. Arising out of "personal and advertising injury".
- o. Arising out of:
 - (1) The actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time;
 - (2) Any 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
 - (3) A "claim" made or "suit" brought by or on behalf of any 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"; including without limitation any "claim" by or on behalf of the "association".

However, Paragraphs **B.n.(1)**, **B.n.(2)** and **B.n.(3)** do not apply to "loss" resulting from a "claim" arising out of heat, smoke or fumes from a hostile fire.
- p. Arising out of "wrongful acts" in the selection or direct or indirect supervision of any contractor or subcontractor liable or alleged to be liable for any defect in construction at any premises insured under this Policy.

A "wrongful act" committed by any "insured person" shall not be imputed to any other "insured person" for purposes of applying the exclusions set forth in this Paragraph **B**.
- C. For the purposes of the coverage provided by this endorsement, Paragraph **C. Who Is An Insured** is replaced by the following:

Who Is An Insured

 - 1. The "association" is an insured.
 - 2. "Insured persons" are insureds.
- D. For the purposes of the coverage provided by this endorsement, Paragraph **D. Liability And Medical Expenses Limits Of Insurance** is replaced by the following:
 - 1. **Annual Aggregate Limit Of Insurance**

The most we will pay for the sum of all "loss" under Paragraphs **A.1.**, **A.2.** and **A.3.** is the aggregate Limit Of Insurance shown in the Schedule. This limit applies regardless of the number of:

 - a. Insureds;
 - b. "Claims" made or "suits" brought; or
 - c. Persons, organizations or government agencies making "claims" or bringing "suits".

If the aggregate Limit of Insurance is exhausted by the payment of "loss", we will have no further obligations or liability of any kind under this endorsement.

"Claims expenses" are part of the "loss" and are payable within the Limit Of Insurance shown in the Schedule, thereby reducing that limit.

2. Deductible

Subject to Paragraph **D.1.** of this endorsement, we will pay only that amount of "loss" which is in excess of the Deductible shown in the Schedule. The Deductible will be borne by the insureds, uninsured and at their own risk. A single deductible will apply to all "loss" resulting from all "claims" alleging the same "wrongful acts" or "interrelated wrongful acts".

If the "association" is permitted or required by law to indemnify an "insured person" for "loss", but fails or refuses, other than for reason of "financial insolvency", then our payment for such "loss" will not be subject to any deductible and the "association" shall be responsible for, and shall hold us harmless from, and shall reimburse us for such "loss" up to the deductible shown in the Schedule.

- E.** For the purposes of the coverage provided by this endorsement, the **Duties In The Event Of Occurrence, Offense, Claim Or Suit** Condition is replaced by the following:

Duties In The Event Of A Claim Or A Wrongful Act That May Result In A Claim

- a.** You must see to it that we are notified as soon as practicable of a "wrongful act" which may result in a "claim". To the extent possible, notice should include:
- (1)** How, when and where the "wrongful act" took place;
 - (2)** The names and addresses of any person involved in the specific "wrongful act", including names and addresses of the potential claimants;
 - (3)** Particulars as to the reasons for anticipating a "claim" which may result from such specific "wrongful act";
 - (4)** The nature of the alleged or potential damages arising from such specific "wrongful act"; and
 - (5)** The circumstances by which the insureds first became aware of the specific "wrongful act".
- b.** If a "claim" is received by any insured, you must:
- a.** Immediately record the specifics of the "claim" and the date received; and

- b.** Notify us as soon as practicable.

You must see to it that we receive written notice of the "claim" 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";
- (2)** Authorize us to obtain records and other information;
- (3)** Cooperate with us in the investigation or settlement of the "claim"; 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 "wrongful acts" 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 without our written consent.

- F.** For the purposes of the coverage provided by this endorsement, the following is added to Paragraph **E. Liability And Medical Expenses General Conditions:**

Consent To Settle

If we recommend a settlement to the insured which is acceptable to the claimant, but to which the insured does not consent, the most we will pay as damages in the event of any later settlement or judgment is the amount for which the "claim" could have been settled, to which the insured did not give consent, plus "claims expenses" incurred as of the date such settlement was proposed in writing by us to the insured.

G. Extended Reporting Period

For the purposes of the coverage provided by this endorsement, the following Extended Reporting Period provisions are added when Extended Reporting Period is indicated on the schedule and:

- 1.** this endorsement is cancelled or not renewed for any reason; or
- 2.** we renew or replace this endorsement with insurance that:
 - a.** has a Retroactive Date later than the date shown in the Schedule of this endorsement; or
 - b.** does not apply to "wrongful acts" on a claims-made basis.

2. An Extended Reporting Period, as specified in Paragraph **G.1.** of this endorsement, lasts three years and is available only for an additional premium.
 3. The Extended Reporting Period starts with the end of the policy period. It does not extend the policy period or change the scope of the coverage provided. It applies only to "claims" to which the following applies:
 - a. The "claim" is first made during the Extended Reporting Period;
 - b. The "wrongful act" occurs before the end of the policy period; and
 - c. The "wrongful act" did not commence before the Retroactive Date.
 4. You must give us a written request for the Extended Reporting Period within 30 days after the end of the policy period or the effective date of cancellation, whichever comes first.
 5. The Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due and any premium or deductible you owe us for coverage provided under this endorsement. Once in effect, the Extended Reporting Period may not be cancelled.
 6. We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:
 - a. The exposures insured;
 - b. Previous types and amounts of insurance;
 - c. Limit of Insurance available under this endorsement for future payment of damages; and
 - d. Other related factors.

The additional premium may not exceed 100% of the annual premium for this endorsement. The premium for the Extended Reporting Period will be deemed fully earned as of the date it is purchased.
 7. There is no separate or additional Limit of Insurance for the Extended Reporting Period. The Limit of Insurance available during the Extended Reporting Period, if purchased, shall be the remaining amount, if any, of the aggregate Limit of Insurance available at the time this Policy was cancelled or nonrenewed.
- H.** For the purposes of the coverage provided by this endorsement, the following definitions are added:
1. "Association" means the entity named in the Schedule as the named association.
 2. "Claim" means:
 - a. A written demand for monetary damages against any insured;
 - b. A civil proceeding against any insured commenced by the service of a complaint or similar pleading;
 - c. A criminal proceeding against any "insured person" commenced by a return of an indictment; or
 - d. A formal administrative or regulatory proceeding against any insured commenced by the filing of a notice of charges, formal investigative order or similar document;

for a "wrongful act", including any appeal therefrom.
 3. "Claims expenses" means that part of a "loss" consisting of reasonable and necessary fees (including attorneys' and experts' fees), expenses incurred in the defense or appeal of a "claim", and the premium for appeal, attachment or similar bonds (without any obligation on our part to provide such bonds), excluding the wages, salaries, benefits or expenses of any "insured person".

However, "claims expenses" do not include our internal expenses (including, but not limited to, salaries of attorneys and adjusters employed by us).
 4. "Communicable disease" means:
 - a. an infectious or contagious illness, sickness, or disease that can be contracted, transmitted, or transferred by any means directly or indirectly to a person.
 - b. Includes, but is not limited to, the following and any variant(s) or strains thereof: Acquired immune deficiency syndrome (AIDS) or human immunodeficiency virus (HIV, including but not limited to HIV 1 and HIV-2); human t-cell lymphotropic virus (HTVL, including but not limited to HTVL-I, HTVL-II); any hepatitis virus; severe acute respiratory syndrome (SARS) including but not limited to SARS-CoV-2 (the novel coronavirus that caused coronavirus disease 2019, COVID-19); Middle East Respiratory Syndrome (MERS, including but not limited to MERS –CoV); herpes virus; any venereal disease or sexually transmitted disease, illness or condition; hantavirus, Zika virus, Norovirus; any of the Ebola virus species; Chronic Wasting Disease (CWD);

- Escherichia coli (E.coli); Influenza (including, but not limited to, all strains and mutations of avian, human or swine flu); Measles, Methicillin-resistant Staphylococcus Aureus (MRSA); Salmonellosis; Legionnaires Disease; Transmissible Spongiform Encephalopathy (TSE) (including, but not limited to, Bovine Spongiform Encephalopathy (BSE, mad cow disease); Creutzfeldt-Jacob disease (nvCJD) including but not limited to New Variant Creutzfeldt-Jacob Disease; Gerstmann-Straussler-Scheinker syndrome (GSS); fatal familial insomnia (FFI); kuru; Tuberculosis, Kawasaki disease, and West Nile Virus.
- c. Any infectious disease epidemic, pandemic, pandemic alert or outbreak (or other term of similar meaning) that is declared, announced or otherwise notified by the U. S. Center for Disease Control and Prevention (as such is reported in the Morbidity and Mortality Weekly Report), World Health Organization, any national, state or local public health organization, or any organization acting in a similar capacity.
5. "Financial insolvency" means the status of the "association" resulting from:
 - a. The appointment of any receiver, conservator, liquidator, trustee, rehabilitator or similar official to control, supervise, manage or liquidate the "association"; or
 - b. The "association" becoming a debtor in possession.
 6. "Insured person" means any former, present or future director, officer, trustee, managing agent or employee of such agent, employee or volunteer of the "association".
 7. "Interrelated wrongful act" means all causally connected "wrongful acts".
 8. "Loss" means "claims expenses", compensatory damages, settlement amounts, legal fees and costs awarded pursuant to judgments. "Loss" does not include civil or criminal fines or penalties imposed by law, punitive or exemplary damages, the multiplied portion of multiplied damages, taxes or matters that are uninsurable pursuant to applicable law.
 9. "Spouse" includes a spouse or a party to a civil union recognized under Illinois law.
 10. "Wrongful act" includes a "wrongful employment practices act" and means:
 - a. With respect to the "insured person", any actual or alleged error, misstatement, misleading statement, neglect or breach of duty, omission or act by the "insured person" in their insured position or capacity for the "association"; or any matter claimed against them solely by reason of their serving in such insured position or capacity. This does not apply to a position or capacity in any entity other than the "association", even if the "association" directed or requested the "insured person" to serve in such other position or capacity.
 - b. With respect to the "association", any actual or alleged error, misstatement, misleading statement, neglect or breach of duty, omission or act by the "association".
 11. "Wrongful employment practices act" means any actual or alleged:
 - a. Wrongful dismissal, discharge or termination of employment;
 - b. Breach of any implied employment contract;
 - c. Employment-related misrepresentation;
 - d. Violation of any federal, state or local statute, regulation, ordinance or common law concerning employment or discrimination in employment;
 - e. Sexual harassment (as that term is defined by the Federal Equal Employment Opportunity Commission) or other illegal workplace harassment;
 - f. Wrongful failure to employ or promote;
 - g. Wrongful reference, discipline or deprivation of a career opportunity;
 - h. Failure to adopt adequate workplace or employment policies and procedures; or
 - i. Illegal retaliatory treatment.
 - i. For the purposes of the coverage provided by this endorsement, the definition of "suit" in Paragraph **F. Liability And Medical Expenses Definitions** is replaced by the following:

"Suit" means a civil proceeding in which damages because of a "wrongful act" to which this insurance applies are alleged. "Suit" includes:

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

BUILDING AND PERSONAL PROPERTY COVERAGE FORM

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

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

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

A. Coverage

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

1. Covered Property

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

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

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

b. Your Business Personal Property

consists of the following property located in or on the building or structure described in the Declarations or in the open (or in a vehicle) within 100 feet of the building or structure or within 100 feet of the premises described in the Declarations, whichever distance is greater:

- (1) Furniture and fixtures;
- (2) Machinery and equipment;
- (3) "Stock";
- (4) All other personal property owned by you and used in your business;
- (5) Labor, materials or services furnished or arranged by you on personal property of others;
- (6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
 - (a) Made a part of the building or structure you occupy but do not own; and
 - (b) You acquired or made at your expense but cannot legally remove;
- (7) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under Personal Property Of Others.

c. Personal Property Of Others that is:

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

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

2. Property Not Covered

Covered Property does not include:

- a. Accounts, bills, currency, food stamps or other evidences of debt, money, notes or securities. Lottery tickets held for sale are not securities;
- b. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings;
- c. Automobiles held for sale;
- d. Bridges, roadways, walks, patios or other paved surfaces;
- e. Contraband, or property in the course of illegal transportation or trade;
- f. The cost of excavations, grading, backfilling or filling;
- g. Foundations of buildings, structures, machinery or boilers if their foundations are below:
 - (1) The lowest basement floor; or
 - (2) The surface of the ground, if there is no basement;
- h. Land (including land on which the property is located), water, growing crops or lawns (other than lawns which are part of a vegetated roof);
- i. Personal property while airborne or waterborne;
- j. Bulkheads, pilings, piers, wharves or docks;
- k. Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
- l. Retaining walls that are not part of a building;
- m. Underground pipes, flues or drains;
- n. Electronic data, except as provided under the Additional Coverage, Electronic Data. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data. This paragraph, n., does not apply to 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;
- o. The cost to replace or restore the information on valuable papers and records, including those which exist as electronic data. Valuable papers and records include but are not limited to proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems. Refer to the Coverage Extension for Valuable Papers And Records (Other Than Electronic Data) for limited coverage for valuable papers and records other than those which exist as electronic data;
- p. Vehicles or self-propelled machines (including aircraft or watercraft) that:
 - (1) Are licensed for use on public roads; or
 - (2) Are operated principally away from the described premises.This paragraph does not apply to:
 - (a) Vehicles or self-propelled machines or autos you manufacture, process or warehouse;

- (b) Vehicles or self-propelled machines, other than autos, you hold for sale;
 - (c) Rowboats or canoes out of water at the described premises; or
 - (d) Trailers, but only to the extent provided for in the Coverage Extension for Non-owned Detached Trailers; or
- q. The following property while outside of buildings:
- (1) Grain, hay, straw or other crops;
 - (2) Fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, trees, shrubs or plants (other than trees, shrubs or plants which are "stock" or are part of a vegetated roof), all except as provided in the Coverage Extensions.

3. Covered Causes Of Loss

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

4. Additional Coverages

a. Debris Removal

- (1) Subject to Paragraphs (2), (3) and (4), we will pay your expense to remove debris of Covered Property and other debris that is on the described premises, when such debris is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
 - (2) Debris Removal does not apply to costs to:
 - (a) Remove debris of property of yours that is not insured under this policy, or property in your possession that is not Covered Property;
 - (b) Remove 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 Coverage Form;
 - (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 (4), the following provisions apply:
- (a) The most we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.
 - (b) Subject to (a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage. However, if no Covered Property has sustained direct physical loss or damage, the most we will pay for removal of debris of other property (if such removal is covered under this Additional Coverage) is \$5,000 at each location.
- (4) We will pay up to an additional \$25,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:
- (a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.
 - (b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

Therefore, if **(4)(a)** and/or **(4)(b)** applies, our total payment for direct physical loss or damage and debris removal expense may reach but will never exceed the Limit of Insurance on the Covered Property that has sustained loss or damage, plus \$25,000.

(5) Examples

The following examples assume that there is no Coinsurance penalty.

Example 1

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

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

Example 2

Limit of Insurance:	\$ 90,000
Amount of Deductible:	\$ 500
Amount of Loss:	\$ 80,000
Amount of Loss Payable:	\$ 79,500
	(\$80,000 – \$500)
Debris Removal Expense:	\$ 40,000
Debris Removal Expense Payable	
Basic Amount:	\$ 10,500
Additional Amount:	\$ 25,000

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

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

b. Preservation Of Property

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

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

c. Fire Department Service Charge

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

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

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

No Deductible applies to this Additional Coverage.

d. Pollutant Clean-up And Removal

We will pay your expense to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

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

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

e. Increased Cost Of Construction

- (1) This Additional Coverage applies only to buildings to which the Replacement Cost Optional Coverage applies.
- (2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with the minimum standards of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in **e.(3)** through **e.(9)** of this Additional Coverage.
- (3) The ordinance or law referred to in **e.(2)** of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises and is in force at the time of loss.
- (4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:
 - (a) You were required to comply with before the loss, even when the building was undamaged; and
 - (b) You failed to comply with.

(5) Under this Additional Coverage, we will not pay for:

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

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

The amount payable under this Additional Coverage is additional insurance.

(7) With respect to this Additional Coverage:

- (a) We will not pay for the Increased Cost of Construction:
 - (i) Until the property is actually repaired or replaced at the same or another premises; and
 - (ii) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.

- (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of **e.(6)** of this Additional Coverage, is the increased cost of construction at the same premises.
- (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction, subject to the provisions of **e.(6)** of this Additional Coverage, is the increased cost of construction at the new premises.
- (8) This Additional Coverage is not subject to the terms of the Ordinance Or Law Exclusion to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.
- (9) The costs addressed in the Loss Payment and Valuation Conditions and the Replacement Cost Optional Coverage, in this Coverage Form, do not include the increased cost attributable to enforcement of or compliance with an ordinance or law. The amount payable under this Additional Coverage, as stated in **e.(6)** of this Additional Coverage, is not subject to such limitation.

f. Electronic Data

- (1) Under this Additional Coverage, electronic data has the meaning described under Property Not Covered, Electronic Data. This Additional Coverage does not apply to 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.
 - (2) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore electronic data which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that electronic data is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the electronic data was stored, with blank media of substantially identical type.
- (3) The Covered Causes of Loss applicable to Your Business Personal Property apply to this Additional Coverage, Electronic Data, subject to the following:
 - (a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage, Electronic Data, is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
 - (b) If the Causes Of Loss – Broad Form applies, coverage under this Additional Coverage, Electronic Data, includes Collapse as set forth in that form.
 - (c) If the Causes Of Loss form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage, Electronic Data.
 - (d) The Covered Causes of Loss include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, modify, maintain, repair or replace that system.

- (4) The most we will pay under this Additional Coverage, Electronic Data, is \$2,500 (unless a higher limit is shown in the Declarations) for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in but not after that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

5. Coverage Extensions

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

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

a. Newly Acquired Or Constructed Property

(1) Buildings

If this policy covers Building, 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 locations, other than the described premises, intended for:
 - (i) Similar use as the building described in the Declarations; or
 - (ii) Use as a warehouse.

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

(2) Your Business Personal Property

- (a) If this policy covers Your Business Personal Property, you may extend that insurance to apply to:
 - (i) Business personal property, including such property that you newly acquire, at any location you acquire other than at fairs, trade shows or exhibitions; or
 - (ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations.

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

- (b) This Extension does not apply to:
 - (i) Personal property of others that is temporarily in your possession in the course of installing or performing work on such property; or
 - (ii) Personal property of others that is temporarily in your possession in the course of your manufacturing or wholesaling activities.

(3) Period Of Coverage

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

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

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

b. Personal Effects And Property Of Others

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

- (1) Personal effects owned by you, your officers, your partners or members, your managers or your employees. This Extension does not apply to loss or damage by theft.
- (2) Personal property of others in your care, custody or control.

The most we will pay for loss or damage under this Extension is \$2,500 at each described premises. Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property.

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

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to the cost to replace or restore the lost information on valuable papers and records for which duplicates do not exist. But this Extension does not apply to valuable papers and records which exist as electronic data. Electronic data has the meaning described under Property Not Covered, Electronic Data.
- (2) If the Causes Of Loss – Special Form applies, coverage under this Extension is limited to the "specified causes of loss" as defined in that form and Collapse as set forth in that form.
- (3) If the Causes Of Loss – Broad Form applies, coverage under this Extension includes Collapse as set forth in that form.
- (4) Under this Extension, the most we will pay to replace or restore the lost information is \$2,500 at each described premises, unless a higher limit is shown in the Declarations. Such amount is additional insurance. We will also pay for the cost of blank material for reproducing the records (whether or not duplicates exist) and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and, therefore, coverage of such costs is not additional insurance.

d. Property Off-premises

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

e. Outdoor Property

You may extend the insurance provided by this Coverage Form to apply to your outdoor fences, radio and television antennas (including satellite dishes), trees, shrubs and plants (other than trees, shrubs or plants which are "stock" or are part of a vegetated roof), including debris removal expense, caused by or resulting from any of the following causes of loss if they are Covered Causes of Loss:

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

The most we will pay for loss or damage under this Extension is \$1,000, but not more than \$250 for any one tree, shrub or plant. These limits apply to any one occurrence, regardless of the types or number of items lost or damaged in that occurrence.

Subject to all aforementioned terms and limitations of coverage, this Coverage Extension includes the expense of removing from the described premises the debris of trees, shrubs and plants which are the property of others, except in the situation in which you are a tenant and such property is owned by the landlord of the described premises.

f. Non-owned Detached Trailers

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

g. Business Personal Property Temporarily In Portable Storage Units

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to such property while temporarily stored in a portable storage unit (including a detached trailer) located within 100 feet of the building or structure described in the Declarations or within 100 feet of the premises described in the Declarations, whichever distance is greater.

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

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

B. Exclusions And Limitations

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

C. Limits Of Insurance

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

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

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

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

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

D. Deductible

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

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

Example 1

(This example assumes there is no Coinsurance penalty.)

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

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

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

$$\begin{array}{r} \$ 60,100 \\ - \quad 250 \\ \hline \end{array}$$

\$ 59,850 Loss Payable – Building 1

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

Total amount of loss payable:
\$59,850 + \$80,000 = \$139,850

Example 2

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

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

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

E. Loss Conditions

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

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

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

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

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

3. Duties In The Event Of Loss Or Damage

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

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

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

Also, permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
 - (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
 - (8) Cooperate with us in the investigation or settlement of the claim.
- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

4. Loss Payment

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

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

h. A party wall is a wall that separates and is common to adjoining buildings that are owned by different parties. In settling covered losses involving a party wall, we will pay a proportion of the loss to the party wall based on your interest in the wall in proportion to the interest of the owner of the adjoining building. However, if you elect to repair or replace your building and the owner of the adjoining building elects not to repair or replace that building, we will pay you the full value of the loss to the party wall, subject to all applicable policy provisions including Limits of Insurance, the Valuation and Coinsurance Conditions and all other provisions of this Loss Payment Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building, and does not alter the terms of the Transfer Of Rights Of Recovery Against Others To Us Condition in this policy.

5. Recovered Property

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

6. Vacancy

a. Description Of Terms

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

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

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

(i) Rented to a lessee or sublessee and used by the lessee or sublessee to conduct its customary operations; and/or

(ii) Used by the building owner to conduct customary operations.

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

b. Vacancy Provisions

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

(1) We will not pay for any loss or damage caused by any of the following, even if they are Covered Causes of Loss:

(a) Vandalism;

(b) Sprinkler leakage, unless you have protected the system against freezing;

(c) Building glass breakage;

(d) Water damage;

(e) Theft; or

(f) Attempted theft.

(2) With respect to Covered Causes of Loss other than those listed in **b.(1)(a)** through **b.(1)(f)** above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

7. Valuation

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

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

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

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

However, the following property will be valued at the actual cash value, even when attached to the building:

- (1) Awnings or floor coverings;
 - (2) Appliances for refrigerating, ventilating, cooking, dishwashing or laundering; or
 - (3) Outdoor equipment or furniture.
- c. "Stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.
- d. Glass at the cost of replacement with safety-glazing material if required by law.
- e. Tenants' Improvements and Betterments at:
- (1) Actual cash value of the lost or damaged property if you make repairs promptly.
 - (2) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
 - (a) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
 - (b) Divide the amount determined in (a) above by the number of days from the installation of improvements to the expiration of the lease.

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

- (3) Nothing if others pay for repairs or replacement.

F. Additional Conditions

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

1. Coinsurance

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

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

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

- (1) Multiply the value of Covered Property at the time of loss by the Coinsurance percentage;
- (2) Divide the Limit of Insurance of the property by the figure determined in Step (1);
- (3) Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step (2); and
- (4) Subtract the deductible from the figure determined in Step (3).

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

Example 1 (Underinsurance)

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

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

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

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

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

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

Example 2 (Adequate Insurance)

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

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

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

Example 3

When: The value of the property is:

Building at Location 1:	\$ 75,000
Building at Location 2:	\$ 100,000
Personal Property at Location 2:	<u>\$ 75,000</u>
	\$ 250,000
The Coinsurance percentage for it is:	90%
The Limit of Insurance for Buildings and Personal Property at Locations 1 and 2 is:	\$ 180,000
The Deductible is:	\$ 1,000
The amount of loss is:	
Building at Location 2:	\$ 30,000
Personal Property at Location 2:	<u>\$ 20,000</u>
	\$ 50,000

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

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

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

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

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

2. Mortgageholders

- a. The term mortgageholder includes trustee.
- b. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.
- c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
- d. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
 - (1) Pays any premium due under this Coverage Part at our request if you have failed to do so;

- (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
- (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

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

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

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

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

G. Optional Coverages

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

1. Agreed Value

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

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

2. Inflation Guard

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

Example

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

3. Replacement Cost

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

- (4) "Stock", unless the Including "Stock" option is shown in the Declarations.

Under the terms of this Replacement Cost Optional Coverage, tenants' improvements and betterments are not considered to be the personal property of others.

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

With respect to tenants' improvements and betterments, the following also apply:

- (3) If the conditions in d.(1) and d.(2) above are not met, the value of tenants' improvements and betterments will be determined as a proportion of your original cost, as set forth in the Valuation Loss Condition of this Coverage Form; and
- (4) We will not pay for loss or damage to tenants' improvements and betterments if others pay for repairs or replacement.
- e. We will not pay more for loss or damage on a replacement cost basis than the least of (1), (2) or (3), subject to f. below:
 - (1) The Limit of Insurance applicable to the lost or damaged property;
 - (2) The cost to replace the lost or damaged property with other property:
 - (a) Of comparable material and quality; and
 - (b) Used for the same purpose; or
 - (3) The amount actually spent that is necessary to repair or replace the lost or damaged property.

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

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

4. Extension Of Replacement Cost To Personal Property Of Others

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

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

H. Definitions

- 1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
- 2. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- 3. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

COMMERCIAL PROPERTY CONDITIONS

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

A. CONCEALMENT, MISREPRESENTATION OR FRAUD

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

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

B. CONTROL OF PROPERTY

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

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

C. INSURANCE UNDER TWO OR MORE COVERAGES

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

D. LEGAL ACTION AGAINST US

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

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

E. LIBERALIZATION

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

F. NO BENEFIT TO BAILEE

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

G. OTHER INSURANCE

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

H. POLICY PERIOD, COVERAGE TERRITORY

Under this Coverage Part:

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

I. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

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

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

This will not restrict your insurance.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART STANDARD PROPERTY POLICY

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

ILLINOIS CHANGES – ARTIFICIALLY GENERATED ELECTRICAL CURRENT EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY

A. The exclusion set forth in:

1. Paragraph **B.2.a.** of the Standard Property Policy, the Causes Of Loss – Basic Form, the Causes Of Loss – Broad Form and the Causes Of Loss – Special Form; and
2. Paragraph **B.2.b.** of the Mortgageholders Errors And Omissions Coverage Form

is replaced by the following exclusion:

We will not pay for loss or damage caused by or resulting from artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires.

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ORDINANCE OR LAW COVERAGE

This endorsement modifies insurance provided under the following:

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

SCHEDULE

Building Number/ Premises Number	Coverage A	Coverage B Limit Of Insurance	Coverage C Limit Of Insurance	Coverage B And C Combined Limit Of Insurance
1 / 1	<input checked="" type="checkbox"/>	\$	\$	\$65250 *
2 / 2	<input checked="" type="checkbox"/>	\$	\$	\$59530 *
3 / 3	<input checked="" type="checkbox"/>	\$	\$	\$57810 *

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

*Do not enter a Blanket Limit of Insurance if individual Limits of Insurance are selected for Coverages B and C, or if one of these Coverages is not applicable.

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

B. Application Of Coverage(s)

The Coverage(s) provided by this endorsement applies only if both B.1. and B.2. are satisfied and are then subject to the qualifications set forth in B.3.

1. The ordinance or law:

- a.** Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
- b.** Is in force at the time of loss.

But coverage under this endorsement applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this endorsement.

2.a. The building sustains direct physical damage that is covered under this policy and as a result of such damage, you are required to comply with the ordinance or

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

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

3. In the situation described in B.2.b. above, we will not pay the full amount of loss otherwise payable under the terms of Coverages A, B, and/or C of this endorsement. Instead, we will pay a proportion of such loss, meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

(Section H. of this endorsement provides an example of this procedure.)

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

C. We will not pay under Coverage A, B or C of this endorsement for:

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

D. Coverage

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

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

Coverage A is included within the Limit Of Insurance shown in the Declarations as applicable to the covered building. Coverage A does not increase the Limit of Insurance.

2. Coverage B – Demolition Cost Coverage

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

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

3. Coverage C – Increased Cost Of Construction Coverage

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

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

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

However:

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

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

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

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

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

E. Loss Payment

1. All following loss payment provisions, E.2. through E.5., are subject to the apportionment procedures set forth in Section B.3. of this endorsement.

2. When there is a loss in value of an undamaged portion of a building to which Coverage A applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:
 - a. If the Replacement Cost Coverage Option applies and the property is being repaired or replaced, on the same or another premises, we will not pay more than the lesser of:
 - (1) The amount you would actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or
 - (2) The Limit Of Insurance shown in the Declarations as applicable to the covered building.
 - b. If the Replacement Cost Coverage Option applies and the property is not repaired or replaced, or if the Replacement Cost Coverage Option does not apply, we will not pay more than the lesser of:
 - (1) The actual cash value of the building at the time of loss; or
 - (2) The Limit Of Insurance shown in the Declarations as applicable to the covered building.
3. Unless Paragraph E.5. applies, loss payment under Coverage B – Demolition Cost Coverage will be determined as follows:
We will not pay more than the lesser of the following:
 - a. The amount you actually spend to demolish and clear the site of the described premises; or
 - b. The applicable Limit Of Insurance shown for Coverage B in the Schedule above.
4. Unless Paragraph E.5. applies, loss payment under Coverage C – Increased Cost Of Construction Coverage will be determined as follows:
 - a. We will not pay under Coverage C:
 - (1) Until the property is actually repaired or replaced, at the same or another premises; and
 - (2) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - b. If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Coverage C is the lesser of:
 - (1) The increased cost of construction at the same premises; or
 - (2) The applicable Limit Of Insurance shown for Coverage C in the Schedule
 - c. If the ordinance or law requires relocation to another premises, the most we will pay under Coverage C is the lesser of:
 - (1) The increased cost of construction at the new premises; or
 - (2) The applicable Limit Of Insurance shown for Coverage C in the Schedule above.
5. If a Combined Limit Of Insurance is shown for Coverages B and C in the Schedule above, Paragraphs E.3. and E.4. of this endorsement do not apply with respect to the building that is subject to the Combined Limit, and the following loss payment provisions apply instead:
The most we will pay, for the total of all covered losses for Demolition Cost and Increased Cost of Construction, is the Combined Limit Of Insurance shown for Coverages B and C in the Schedule above. Subject to this Combined Limit of Insurance, the following loss payment provisions apply:
 - a. For Demolition Cost, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.
 - b. With respect to the Increased Cost of Construction:
 - (1) We will not pay for the increased cost of construction:
 - (a) Until the property is actually repaired or replaced, at the same or another premises; and
 - (b) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - (2) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the same premises.

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

- F. The terms of this endorsement apply separately to each building to which this endorsement applies.
- G. Under this endorsement we will not pay for loss due to any ordinance or law that:
1. You were required to comply with before the loss, even if the building was undamaged; and
 2. You failed to comply with.
- H. Example of proportionate loss payment for Ordinance Or Law Coverage Losses (procedure as set forth in Section B.3. of this endorsement).

Assume:

- Wind is a Covered Cause of Loss; Flood is an excluded Cause of Loss
- The building has a value of \$200,000
- Total direct physical damage to building: \$100,000
- The ordinance or law in this jurisdiction is enforced when building damage equals or exceeds 50% of the building's value
- Portion of direct physical damage that is covered (caused by wind): \$30,000
- Portion of direct physical damage that is not covered (caused by flood): \$70,000
- Loss under Ordinance Or Law Coverage **C** of this endorsement: \$60,000

Step 1:

Determine the proportion that the covered direct physical damage bears to the total direct physical damage.

$$\$30,000 \div \$100,000 = .30$$

Step 2:

Apply that proportion to the Ordinance or Law loss.

$$\$60,000 \times .30 = \$18,000$$

In this example, the most we will pay under this endorsement for the Coverage C loss is \$18,000, subject to the applicable Limit of Insurance and any other applicable provisions.

Note: The same procedure applies to losses under Coverages A and B of this endorsement.

I. The following definition is added:

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ORDINANCE OR LAW COVERAGE

This endorsement modifies insurance provided under the following:

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

SCHEDULE

Building Number/ Premises Number	Coverage A	Coverage B Limit Of Insurance	Coverage C Limit Of Insurance	Coverage B And C Combined Limit Of Insurance
4 / 4	<input checked="" type="checkbox"/>	\$	\$	\$100170 *
5 / 5	<input checked="" type="checkbox"/>	\$	\$	\$64680 *
6 / 6	<input checked="" type="checkbox"/>	\$	\$	\$62960 *

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

*Do not enter a Blanket Limit of Insurance if individual Limits of Insurance are selected for Coverages B and C, or if one of these Coverages is not applicable.

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

B. Application Of Coverage(s)

The Coverage(s) provided by this endorsement applies only if both B.1. and B.2. are satisfied and are then subject to the qualifications set forth in B.3.

1. The ordinance or law:

- a.** Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
- b.** Is in force at the time of loss.

But coverage under this endorsement applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this endorsement.

2.a. The building sustains direct physical damage that is covered under this policy and as a result of such damage, you are required to comply with the ordinance or

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

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

3. In the situation described in B.2.b. above, we will not pay the full amount of loss otherwise payable under the terms of Coverages A, B, and/or C of this endorsement. Instead, we will pay a proportion of such loss, meaning the proportion that the covered direct physical damage bears to the total direct physical damage.



(Section H. of this endorsement provides an example of this procedure.)

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

C. We will not pay under Coverage A, B or C of this endorsement for:

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

D. Coverage

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

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

Coverage A is included within the Limit Of Insurance shown in the Declarations as applicable to the covered building. Coverage A does not increase the Limit of Insurance.

2. Coverage B – Demolition Cost Coverage

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

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

3. Coverage C – Increased Cost Of Construction Coverage

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

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

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

However:

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

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

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

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

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

E. Loss Payment

1. All following loss payment provisions, E.2. through E.5., are subject to the apportionment procedures set forth in Section B.3. of this endorsement.

2. When there is a loss in value of an undamaged portion of a building to which Coverage A applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:
 - a. If the Replacement Cost Coverage Option applies and the property is being repaired or replaced, on the same or another premises, we will not pay more than the lesser of:
 - (1) The amount you would actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or
 - (2) The Limit Of Insurance shown in the Declarations as applicable to the covered building.
 - b. If the Replacement Cost Coverage Option applies and the property is not repaired or replaced, or if the Replacement Cost Coverage Option does not apply, we will not pay more than the lesser of:
 - (1) The actual cash value of the building at the time of loss; or
 - (2) The Limit Of Insurance shown in the Declarations as applicable to the covered building.
3. Unless Paragraph E.5. applies, loss payment under Coverage B – Demolition Cost Coverage will be determined as follows:

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

 - a. The amount you actually spend to demolish and clear the site of the described premises; or
 - b. The applicable Limit Of Insurance shown for Coverage B in the Schedule above.
4. Unless Paragraph E.5. applies, loss payment under Coverage C – Increased Cost Of Construction Coverage will be determined as follows:
 - a. We will not pay under Coverage C:
 - (1) Until the property is actually repaired or replaced, at the same or another premises; and
 - (2) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - b. If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Coverage C is the lesser of:
 - (1) The increased cost of construction at the same premises; or
 - (2) The applicable Limit Of Insurance shown for Coverage C in the Schedule
 - c. If the ordinance or law requires relocation to another premises, the most we will pay under Coverage C is the lesser of:
 - (1) The increased cost of construction at the new premises; or
 - (2) The applicable Limit Of Insurance shown for Coverage C in the Schedule above.
5. If a Combined Limit Of Insurance is shown for Coverages B and C in the Schedule above, Paragraphs E.3. and E.4. of this endorsement do not apply with respect to the building that is subject to the Combined Limit, and the following loss payment provisions apply instead:

The most we will pay, for the total of all covered losses for Demolition Cost and Increased Cost of Construction, is the Combined Limit Of Insurance shown for Coverages B and C in the Schedule above. Subject to this Combined Limit of Insurance, the following loss payment provisions apply:

 - a. For Demolition Cost, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.
 - b. With respect to the Increased Cost of Construction:
 - (1) We will not pay for the increased cost of construction:
 - (a) Until the property is actually repaired or replaced, at the same or another premises; and
 - (b) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - (2) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the same premises.

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

- F. The terms of this endorsement apply separately to each building to which this endorsement applies.
- G. Under this endorsement we will not pay for loss due to any ordinance or law that:
1. You were required to comply with before the loss, even if the building was undamaged; and
 2. You failed to comply with.
- H. Example of proportionate loss payment for Ordinance Or Law Coverage Losses (procedure as set forth in Section B.3. of this endorsement).

Assume:

- Wind is a Covered Cause of Loss; Flood is an excluded Cause of Loss
- The building has a value of \$200,000
- Total direct physical damage to building: \$100,000
- The ordinance or law in this jurisdiction is enforced when building damage equals or exceeds 50% of the building's value
- Portion of direct physical damage that is covered (caused by wind): \$30,000
- Portion of direct physical damage that is not covered (caused by flood): \$70,000
- Loss under Ordinance Or Law Coverage **C** of this endorsement: \$60,000

Step 1:

Determine the proportion that the covered direct physical damage bears to the total direct physical damage.

$$\$30,000 \div \$100,000 = .30$$

Step 2:

Apply that proportion to the Ordinance or Law loss.

$$\$60,000 \times .30 = \$18,000$$

In this example, the most we will pay under this endorsement for the Coverage C loss is \$18,000, subject to the applicable Limit of Insurance and any other applicable provisions.

Note: The same procedure applies to losses under Coverages A and B of this endorsement.

I. The following definition is added:

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ORDINANCE OR LAW COVERAGE

This endorsement modifies insurance provided under the following:

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

SCHEDULE

Building Number/ Premises Number	Coverage A	Coverage B Limit Of Insurance	Coverage C Limit Of Insurance	Coverage B And C Combined Limit Of Insurance
7 / 7	<input checked="" type="checkbox"/>	\$	\$	\$60670 *
8 / 8	<input checked="" type="checkbox"/>	\$	\$	\$71550 *
9 / 9	<input checked="" type="checkbox"/>	\$	\$	\$51520 *

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.
*Do not enter a Blanket Limit of Insurance if individual Limits of Insurance are selected for Coverages B and C, or if one of these Coverages is not applicable.

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

B. Application Of Coverage(s)

The Coverage(s) provided by this endorsement applies only if both B.1. and B.2. are satisfied and are then subject to the qualifications set forth in B.3.

1. The ordinance or law:
 - a. Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
 - b. Is in force at the time of loss.

But coverage under this endorsement applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this endorsement.

- 2.a. The building sustains direct physical damage that is covered under this policy and as a result of such damage, you are required to comply with the ordinance or
 - b. The building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and as a result of the building damage in its entirety, you are required to comply with the ordinance or law.
 - c. But if the building sustains direct physical damage that is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage under this endorsement even if the building has also sustained covered direct physical damage.
3. In the situation described in B.2.b. above, we will not pay the full amount of loss otherwise payable under the terms of Coverages A, B, and/or C of this endorsement. Instead, we will pay a proportion of such loss, meaning the proportion that the covered direct physical damage bears to the total direct physical damage.



(Section H. of this endorsement provides an example of this procedure.)

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

C. We will not pay under Coverage A, B or C of this endorsement for:

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

D. Coverage

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

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

Coverage A is included within the Limit Of Insurance shown in the Declarations as applicable to the covered building. Coverage A does not increase the Limit of Insurance.

2. Coverage B – Demolition Cost Coverage

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

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

3. Coverage C – Increased Cost Of Construction Coverage

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

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

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

However:

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

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

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

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

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

E. Loss Payment

1. All following loss payment provisions, E.2. through E.5., are subject to the apportionment procedures set forth in Section B.3. of this endorsement.

2. When there is a loss in value of an undamaged portion of a building to which Coverage A applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:
 - a. If the Replacement Cost Coverage Option applies and the property is being repaired or replaced, on the same or another premises, we will not pay more than the lesser of:
 - (1) The amount you would actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or
 - (2) The Limit Of Insurance shown in the Declarations as applicable to the covered building.
 - b. If the Replacement Cost Coverage Option applies and the property is not repaired or replaced, or if the Replacement Cost Coverage Option does not apply, we will not pay more than the lesser of:
 - (1) The actual cash value of the building at the time of loss; or
 - (2) The Limit Of Insurance shown in the Declarations as applicable to the covered building.
3. Unless Paragraph E.5. applies, loss payment under Coverage B – Demolition Cost Coverage will be determined as follows:
We will not pay more than the lesser of the following:
 - a. The amount you actually spend to demolish and clear the site of the described premises; or
 - b. The applicable Limit Of Insurance shown for Coverage B in the Schedule above.
4. Unless Paragraph E.5. applies, loss payment under Coverage C – Increased Cost Of Construction Coverage will be determined as follows:
 - a. We will not pay under Coverage C:
 - (1) Until the property is actually repaired or replaced, at the same or another premises; and
 - (2) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - b. If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Coverage C is the lesser of:
 - (1) The increased cost of construction at the same premises; or
 - (2) The applicable Limit Of Insurance shown for Coverage C in the Schedule
 - c. If the ordinance or law requires relocation to another premises, the most we will pay under Coverage C is the lesser of:
 - (1) The increased cost of construction at the new premises; or
 - (2) The applicable Limit Of Insurance shown for Coverage C in the Schedule above.
5. If a Combined Limit Of Insurance is shown for Coverages B and C in the Schedule above, Paragraphs E.3. and E.4. of this endorsement do not apply with respect to the building that is subject to the Combined Limit, and the following loss payment provisions apply instead:
The most we will pay, for the total of all covered losses for Demolition Cost and Increased Cost of Construction, is the Combined Limit Of Insurance shown for Coverages B and C in the Schedule above. Subject to this Combined Limit of Insurance, the following loss payment provisions apply:
 - a. For Demolition Cost, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.
 - b. With respect to the Increased Cost of Construction:
 - (1) We will not pay for the increased cost of construction:
 - (a) Until the property is actually repaired or replaced, at the same or another premises; and
 - (b) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - (2) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the same premises.

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

- F. The terms of this endorsement apply separately to each building to which this endorsement applies.
- G. Under this endorsement we will not pay for loss due to any ordinance or law that:
1. You were required to comply with before the loss, even if the building was undamaged; and
 2. You failed to comply with.
- H. Example of proportionate loss payment for Ordinance Or Law Coverage Losses (procedure as set forth in Section B.3. of this endorsement).

Assume:

- Wind is a Covered Cause of Loss; Flood is an excluded Cause of Loss
- The building has a value of \$200,000
- Total direct physical damage to building: \$100,000
- The ordinance or law in this jurisdiction is enforced when building damage equals or exceeds 50% of the building's value
- Portion of direct physical damage that is covered (caused by wind): \$30,000
- Portion of direct physical damage that is not covered (caused by flood): \$70,000
- Loss under Ordinance Or Law Coverage **C** of this endorsement: \$60,000

Step 1:

Determine the proportion that the covered direct physical damage bears to the total direct physical damage.

$$\$30,000 \div \$100,000 = .30$$

Step 2:

Apply that proportion to the Ordinance or Law loss.

$$\$60,000 \times .30 = \$18,000$$

In this example, the most we will pay under this endorsement for the Coverage C loss is \$18,000, subject to the applicable Limit of Insurance and any other applicable provisions.

Note: The same procedure applies to losses under Coverages A and B of this endorsement.

I. The following definition is added:

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ORDINANCE OR LAW COVERAGE

This endorsement modifies insurance provided under the following:

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

SCHEDULE

Building Number/ Premises Number	Coverage A	Coverage B Limit Of Insurance	Coverage C Limit Of Insurance	Coverage B And C Combined Limit Of Insurance
10 / 10	<input checked="" type="checkbox"/>	\$	\$	\$57810 *
11 / 11	<input checked="" type="checkbox"/>	\$	\$	\$82430 *
12 / 12	<input checked="" type="checkbox"/>	\$	\$	\$57810 *

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

*Do not enter a Blanket Limit of Insurance if individual Limits of Insurance are selected for Coverages B and C, or if one of these Coverages is not applicable.

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

B. Application Of Coverage(s)

The Coverage(s) provided by this endorsement applies only if both B.1. and B.2. are satisfied and are then subject to the qualifications set forth in B.3.

1. The ordinance or law:

- a. Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
- b. Is in force at the time of loss.

But coverage under this endorsement applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this endorsement.

2.a. The building sustains direct physical damage that is covered under this policy and as a result of such damage, you are required to comply with the ordinance or

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

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

3. In the situation described in B.2.b. above, we will not pay the full amount of loss otherwise payable under the terms of Coverages A, B, and/or C of this endorsement. Instead, we will pay a proportion of such loss, meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

(Section H. of this endorsement provides an example of this procedure.)

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

C. We will not pay under Coverage A, B or C of this endorsement for:

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

D. Coverage

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

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

Coverage A is included within the Limit Of Insurance shown in the Declarations as applicable to the covered building. Coverage A does not increase the Limit of Insurance.

2. Coverage B – Demolition Cost Coverage

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

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

3. Coverage C – Increased Cost Of Construction Coverage

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

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

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

However:

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

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

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

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

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

E. Loss Payment

1. All following loss payment provisions, E.2. through E.5., are subject to the apportionment procedures set forth in Section B.3. of this endorsement.

2. When there is a loss in value of an undamaged portion of a building to which Coverage A applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:
 - a. If the Replacement Cost Coverage Option applies and the property is being repaired or replaced, on the same or another premises, we will not pay more than the lesser of:
 - (1) The amount you would actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or
 - (2) The Limit Of Insurance shown in the Declarations as applicable to the covered building.
 - b. If the Replacement Cost Coverage Option applies and the property is not repaired or replaced, or if the Replacement Cost Coverage Option does not apply, we will not pay more than the lesser of:
 - (1) The actual cash value of the building at the time of loss; or
 - (2) The Limit Of Insurance shown in the Declarations as applicable to the covered building.
3. Unless Paragraph E.5. applies, loss payment under Coverage B – Demolition Cost Coverage will be determined as follows:
We will not pay more than the lesser of the following:
 - a. The amount you actually spend to demolish and clear the site of the described premises; or
 - b. The applicable Limit Of Insurance shown for Coverage B in the Schedule above.
4. Unless Paragraph E.5. applies, loss payment under Coverage C – Increased Cost Of Construction Coverage will be determined as follows:
 - a. We will not pay under Coverage C:
 - (1) Until the property is actually repaired or replaced, at the same or another premises; and
 - (2) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - b. If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Coverage C is the lesser of:
 - (1) The increased cost of construction at the same premises; or
 - (2) The applicable Limit Of Insurance shown for Coverage C in the Schedule
 - c. If the ordinance or law requires relocation to another premises, the most we will pay under Coverage C is the lesser of:
 - (1) The increased cost of construction at the new premises; or
 - (2) The applicable Limit Of Insurance shown for Coverage C in the Schedule above.
5. If a Combined Limit Of Insurance is shown for Coverages B and C in the Schedule above, Paragraphs E.3. and E.4. of this endorsement do not apply with respect to the building that is subject to the Combined Limit, and the following loss payment provisions apply instead:
The most we will pay, for the total of all covered losses for Demolition Cost and Increased Cost of Construction, is the Combined Limit Of Insurance shown for Coverages B and C in the Schedule above. Subject to this Combined Limit of Insurance, the following loss payment provisions apply:
 - a. For Demolition Cost, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.
 - b. With respect to the Increased Cost of Construction:
 - (1) We will not pay for the increased cost of construction:
 - (a) Until the property is actually repaired or replaced, at the same or another premises; and
 - (b) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - (2) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the same premises.

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

- F. The terms of this endorsement apply separately to each building to which this endorsement applies.
- G. Under this endorsement we will not pay for loss due to any ordinance or law that:
1. You were required to comply with before the loss, even if the building was undamaged; and
 2. You failed to comply with.
- H. Example of proportionate loss payment for Ordinance Or Law Coverage Losses (procedure as set forth in Section B.3. of this endorsement).

Assume:

- Wind is a Covered Cause of Loss; Flood is an excluded Cause of Loss
- The building has a value of \$200,000
- Total direct physical damage to building: \$100,000
- The ordinance or law in this jurisdiction is enforced when building damage equals or exceeds 50% of the building's value
- Portion of direct physical damage that is covered (caused by wind): \$30,000
- Portion of direct physical damage that is not covered (caused by flood): \$70,000
- Loss under Ordinance Or Law Coverage **C** of this endorsement: \$60,000

Step 1:

Determine the proportion that the covered direct physical damage bears to the total direct physical damage.

$$\$30,000 \div \$100,000 = .30$$

Step 2:

Apply that proportion to the Ordinance or Law loss.

$$\$60,000 \times .30 = \$18,000$$

In this example, the most we will pay under this endorsement for the Coverage C loss is \$18,000, subject to the applicable Limit of Insurance and any other applicable provisions.

Note: The same procedure applies to losses under Coverages A and B of this endorsement.

I. The following definition is added:

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ORDINANCE OR LAW COVERAGE

This endorsement modifies insurance provided under the following:

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

SCHEDULE

Building Number/ Premises Number	Coverage A	Coverage B Limit Of Insurance	Coverage C Limit Of Insurance	Coverage B And C Combined Limit Of Insurance
13 / 13	<input checked="" type="checkbox"/>	\$	\$	\$57810 *
14 / 14	<input checked="" type="checkbox"/>	\$	\$	\$83000 *
15 / 15	<input checked="" type="checkbox"/>	\$	\$	\$82430 *

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

*Do not enter a Blanket Limit of Insurance if individual Limits of Insurance are selected for Coverages B and C, or if one of these Coverages is not applicable.

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

B. Application Of Coverage(s)

The Coverage(s) provided by this endorsement applies only if both B.1. and B.2. are satisfied and are then subject to the qualifications set forth in B.3.

1. The ordinance or law:
 - a. Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
 - b. Is in force at the time of loss.

But coverage under this endorsement applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this endorsement.

- 2.a. The building sustains direct physical damage that is covered under this policy and as a result of such damage, you are required to comply with the ordinance or
- b. The building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and as a result of the building damage in its entirety, you are required to comply with the ordinance or law.
- c. But if the building sustains direct physical damage that is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage under this endorsement even if the building has also sustained covered direct physical damage.
3. In the situation described in B.2.b. above, we will not pay the full amount of loss otherwise payable under the terms of Coverages A, B, and/or C of this endorsement. Instead, we will pay a proportion of such loss, meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

(Section H. of this endorsement provides an example of this procedure.)

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

C. We will not pay under Coverage A, B or C of this endorsement for:

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

D. Coverage

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

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

Coverage A is included within the Limit Of Insurance shown in the Declarations as applicable to the covered building. Coverage A does not increase the Limit of Insurance.

2. Coverage B – Demolition Cost Coverage

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

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

3. Coverage C – Increased Cost Of Construction Coverage

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

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

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

However:

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

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

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

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

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

E. Loss Payment

1. All following loss payment provisions, E.2. through E.5., are subject to the apportionment procedures set forth in Section B.3. of this endorsement.

2. When there is a loss in value of an undamaged portion of a building to which Coverage A applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:
 - a. If the Replacement Cost Coverage Option applies and the property is being repaired or replaced, on the same or another premises, we will not pay more than the lesser of:
 - (1) The amount you would actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or
 - (2) The Limit Of Insurance shown in the Declarations as applicable to the covered building.
 - b. If the Replacement Cost Coverage Option applies and the property is not repaired or replaced, or if the Replacement Cost Coverage Option does not apply, we will not pay more than the lesser of:
 - (1) The actual cash value of the building at the time of loss; or
 - (2) The Limit Of Insurance shown in the Declarations as applicable to the covered building.
3. Unless Paragraph E.5. applies, loss payment under Coverage B – Demolition Cost Coverage will be determined as follows:

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

 - a. The amount you actually spend to demolish and clear the site of the described premises; or
 - b. The applicable Limit Of Insurance shown for Coverage B in the Schedule above.
4. Unless Paragraph E.5. applies, loss payment under Coverage C – Increased Cost Of Construction Coverage will be determined as follows:
 - a. We will not pay under Coverage C:
 - (1) Until the property is actually repaired or replaced, at the same or another premises; and
 - (2) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - b. If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Coverage C is the lesser of:
 - (1) The increased cost of construction at the same premises; or
 - (2) The applicable Limit Of Insurance shown for Coverage C in the Schedule
 - c. If the ordinance or law requires relocation to another premises, the most we will pay under Coverage C is the lesser of:
 - (1) The increased cost of construction at the new premises; or
 - (2) The applicable Limit Of Insurance shown for Coverage C in the Schedule above.
5. If a Combined Limit Of Insurance is shown for Coverages B and C in the Schedule above, Paragraphs E.3. and E.4. of this endorsement do not apply with respect to the building that is subject to the Combined Limit, and the following loss payment provisions apply instead:

The most we will pay, for the total of all covered losses for Demolition Cost and Increased Cost of Construction, is the Combined Limit Of Insurance shown for Coverages B and C in the Schedule above. Subject to this Combined Limit of Insurance, the following loss payment provisions apply:

 - a. For Demolition Cost, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.
 - b. With respect to the Increased Cost of Construction:
 - (1) We will not pay for the increased cost of construction:
 - (a) Until the property is actually repaired or replaced, at the same or another premises; and
 - (b) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - (2) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the same premises.

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

- F. The terms of this endorsement apply separately to each building to which this endorsement applies.
- G. Under this endorsement we will not pay for loss due to any ordinance or law that:
1. You were required to comply with before the loss, even if the building was undamaged; and
 2. You failed to comply with.
- H. Example of proportionate loss payment for Ordinance Or Law Coverage Losses (procedure as set forth in Section B.3. of this endorsement).

Assume:

- Wind is a Covered Cause of Loss; Flood is an excluded Cause of Loss
- The building has a value of \$200,000
- Total direct physical damage to building: \$100,000
- The ordinance or law in this jurisdiction is enforced when building damage equals or exceeds 50% of the building's value
- Portion of direct physical damage that is covered (caused by wind): \$30,000
- Portion of direct physical damage that is not covered (caused by flood): \$70,000
- Loss under Ordinance Or Law Coverage **C** of this endorsement: \$60,000

Step 1:

Determine the proportion that the covered direct physical damage bears to the total direct physical damage.

$$\$30,000 \div \$100,000 = .30$$

Step 2:

Apply that proportion to the Ordinance or Law loss.

$$\$60,000 \times .30 = \$18,000$$

In this example, the most we will pay under this endorsement for the Coverage C loss is \$18,000, subject to the applicable Limit of Insurance and any other applicable provisions.

Note: The same procedure applies to losses under Coverages A and B of this endorsement.

I. The following definition is added:

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ORDINANCE OR LAW COVERAGE

This endorsement modifies insurance provided under the following:

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

SCHEDULE

Building Number/ Premises Number	Coverage A	Coverage B Limit Of Insurance	Coverage C Limit Of Insurance	Coverage B And C Combined Limit Of Insurance
16 / 16	<input checked="" type="checkbox"/>	\$	\$	\$64110 *
17 / 17	<input checked="" type="checkbox"/>	\$	\$	\$64110 *
18 / 18	<input checked="" type="checkbox"/>	\$	\$	\$84720 *

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

*Do not enter a Blanket Limit of Insurance if individual Limits of Insurance are selected for Coverages B and C, or if one of these Coverages is not applicable.

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

B. Application Of Coverage(s)

The Coverage(s) provided by this endorsement applies only if both B.1. and B.2. are satisfied and are then subject to the qualifications set forth in B.3.

1. The ordinance or law:

- a. Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
- b. Is in force at the time of loss.

But coverage under this endorsement applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this endorsement.

2.a. The building sustains direct physical damage that is covered under this policy and as a result of such damage, you are required to comply with the ordinance or

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

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

3. In the situation described in B.2.b. above, we will not pay the full amount of loss otherwise payable under the terms of Coverages A, B, and/or C of this endorsement. Instead, we will pay a proportion of such loss, meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

(Section H. of this endorsement provides an example of this procedure.)

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

C. We will not pay under Coverage A, B or C of this endorsement for:

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

D. Coverage

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

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

Coverage A is included within the Limit Of Insurance shown in the Declarations as applicable to the covered building. Coverage A does not increase the Limit of Insurance.

2. Coverage B – Demolition Cost Coverage

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

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

3. Coverage C – Increased Cost Of Construction Coverage

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

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

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

However:

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

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

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

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

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

E. Loss Payment

1. All following loss payment provisions, E.2. through E.5., are subject to the apportionment procedures set forth in Section B.3. of this endorsement.

2. When there is a loss in value of an undamaged portion of a building to which Coverage A applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:
 - a. If the Replacement Cost Coverage Option applies and the property is being repaired or replaced, on the same or another premises, we will not pay more than the lesser of:
 - (1) The amount you would actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or
 - (2) The Limit Of Insurance shown in the Declarations as applicable to the covered building.
 - b. If the Replacement Cost Coverage Option applies and the property is not repaired or replaced, or if the Replacement Cost Coverage Option does not apply, we will not pay more than the lesser of:
 - (1) The actual cash value of the building at the time of loss; or
 - (2) The Limit Of Insurance shown in the Declarations as applicable to the covered building.
3. Unless Paragraph E.5. applies, loss payment under Coverage B – Demolition Cost Coverage will be determined as follows:
We will not pay more than the lesser of the following:
 - a. The amount you actually spend to demolish and clear the site of the described premises; or
 - b. The applicable Limit Of Insurance shown for Coverage B in the Schedule above.
4. Unless Paragraph E.5. applies, loss payment under Coverage C – Increased Cost Of Construction Coverage will be determined as follows:
 - a. We will not pay under Coverage C:
 - (1) Until the property is actually repaired or replaced, at the same or another premises; and
 - (2) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - b. If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Coverage C is the lesser of:
 - (1) The increased cost of construction at the same premises; or
 - (2) The applicable Limit Of Insurance shown for Coverage C in the Schedule
 - c. If the ordinance or law requires relocation to another premises, the most we will pay under Coverage C is the lesser of:
 - (1) The increased cost of construction at the new premises; or
 - (2) The applicable Limit Of Insurance shown for Coverage C in the Schedule above.
5. If a Combined Limit Of Insurance is shown for Coverages B and C in the Schedule above, Paragraphs E.3. and E.4. of this endorsement do not apply with respect to the building that is subject to the Combined Limit, and the following loss payment provisions apply instead:
The most we will pay, for the total of all covered losses for Demolition Cost and Increased Cost of Construction, is the Combined Limit Of Insurance shown for Coverages B and C in the Schedule above. Subject to this Combined Limit of Insurance, the following loss payment provisions apply:
 - a. For Demolition Cost, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.
 - b. With respect to the Increased Cost of Construction:
 - (1) We will not pay for the increased cost of construction:
 - (a) Until the property is actually repaired or replaced, at the same or another premises; and
 - (b) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - (2) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the same premises.

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

- F. The terms of this endorsement apply separately to each building to which this endorsement applies.
- G. Under this endorsement we will not pay for loss due to any ordinance or law that:
1. You were required to comply with before the loss, even if the building was undamaged; and
 2. You failed to comply with.
- H. Example of proportionate loss payment for Ordinance Or Law Coverage Losses (procedure as set forth in Section B.3. of this endorsement).

Assume:

- Wind is a Covered Cause of Loss; Flood is an excluded Cause of Loss
- The building has a value of \$200,000
- Total direct physical damage to building: \$100,000
- The ordinance or law in this jurisdiction is enforced when building damage equals or exceeds 50% of the building's value
- Portion of direct physical damage that is covered (caused by wind): \$30,000
- Portion of direct physical damage that is not covered (caused by flood): \$70,000
- Loss under Ordinance Or Law Coverage **C** of this endorsement: \$60,000

Step 1:

Determine the proportion that the covered direct physical damage bears to the total direct physical damage.

$$\$30,000 \div \$100,000 = .30$$

Step 2:

Apply that proportion to the Ordinance or Law loss.

$$\$60,000 \times .30 = \$18,000$$

In this example, the most we will pay under this endorsement for the Coverage C loss is \$18,000, subject to the applicable Limit of Insurance and any other applicable provisions.

Note: The same procedure applies to losses under Coverages A and B of this endorsement.

I. The following definition is added:

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ORDINANCE OR LAW COVERAGE

This endorsement modifies insurance provided under the following:

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

SCHEDULE

Building Number/ Premises Number	Coverage A	Coverage B Limit Of Insurance	Coverage C Limit Of Insurance	Coverage B And C Combined Limit Of Insurance
19 / 19	<input checked="" type="checkbox"/>	\$	\$	\$68120 *
20 / 20	<input checked="" type="checkbox"/>	\$	\$	\$55520 *
21 / 21	<input checked="" type="checkbox"/>	\$	\$	\$95590 *

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

*Do not enter a Blanket Limit of Insurance if individual Limits of Insurance are selected for Coverages B and C, or if one of these Coverages is not applicable.

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

B. Application Of Coverage(s)

The Coverage(s) provided by this endorsement applies only if both B.1. and B.2. are satisfied and are then subject to the qualifications set forth in B.3.

1. The ordinance or law:
 - a. Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
 - b. Is in force at the time of loss.

But coverage under this endorsement applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this endorsement.

- 2.a. The building sustains direct physical damage that is covered under this policy and as a result of such damage, you are required to comply with the ordinance or
- b. The building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and as a result of the building damage in its entirety, you are required to comply with the ordinance or law.
- c. But if the building sustains direct physical damage that is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage under this endorsement even if the building has also sustained covered direct physical damage.
3. In the situation described in B.2.b. above, we will not pay the full amount of loss otherwise payable under the terms of Coverages A, B, and/or C of this endorsement. Instead, we will pay a proportion of such loss, meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

(Section H. of this endorsement provides an example of this procedure.)

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

C. We will not pay under Coverage A, B or C of this endorsement for:

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

D. Coverage

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

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

Coverage A is included within the Limit Of Insurance shown in the Declarations as applicable to the covered building. Coverage A does not increase the Limit of Insurance.

2. Coverage B – Demolition Cost Coverage

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

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

3. Coverage C – Increased Cost Of Construction Coverage

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

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

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

However:

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

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

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

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

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

E. Loss Payment

1. All following loss payment provisions, E.2. through E.5., are subject to the apportionment procedures set forth in Section B.3. of this endorsement.

2. When there is a loss in value of an undamaged portion of a building to which Coverage A applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:
 - a. If the Replacement Cost Coverage Option applies and the property is being repaired or replaced, on the same or another premises, we will not pay more than the lesser of:
 - (1) The amount you would actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or
 - (2) The Limit Of Insurance shown in the Declarations as applicable to the covered building.
 - b. If the Replacement Cost Coverage Option applies and the property is not repaired or replaced, or if the Replacement Cost Coverage Option does not apply, we will not pay more than the lesser of:
 - (1) The actual cash value of the building at the time of loss; or
 - (2) The Limit Of Insurance shown in the Declarations as applicable to the covered building.
3. Unless Paragraph E.5. applies, loss payment under Coverage B – Demolition Cost Coverage will be determined as follows:
We will not pay more than the lesser of the following:
 - a. The amount you actually spend to demolish and clear the site of the described premises; or
 - b. The applicable Limit Of Insurance shown for Coverage B in the Schedule above.
4. Unless Paragraph E.5. applies, loss payment under Coverage C – Increased Cost Of Construction Coverage will be determined as follows:
 - a. We will not pay under Coverage C:
 - (1) Until the property is actually repaired or replaced, at the same or another premises; and
 - (2) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - b. If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Coverage C is the lesser of:
 - (1) The increased cost of construction at the same premises; or
 - (2) The applicable Limit Of Insurance shown for Coverage C in the Schedule
 - c. If the ordinance or law requires relocation to another premises, the most we will pay under Coverage C is the lesser of:
 - (1) The increased cost of construction at the new premises; or
 - (2) The applicable Limit Of Insurance shown for Coverage C in the Schedule above.
5. If a Combined Limit Of Insurance is shown for Coverages B and C in the Schedule above, Paragraphs E.3. and E.4. of this endorsement do not apply with respect to the building that is subject to the Combined Limit, and the following loss payment provisions apply instead:
The most we will pay, for the total of all covered losses for Demolition Cost and Increased Cost of Construction, is the Combined Limit Of Insurance shown for Coverages B and C in the Schedule above. Subject to this Combined Limit of Insurance, the following loss payment provisions apply:
 - a. For Demolition Cost, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.
 - b. With respect to the Increased Cost of Construction:
 - (1) We will not pay for the increased cost of construction:
 - (a) Until the property is actually repaired or replaced, at the same or another premises; and
 - (b) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - (2) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the same premises.

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

- F. The terms of this endorsement apply separately to each building to which this endorsement applies.
- G. Under this endorsement we will not pay for loss due to any ordinance or law that:
1. You were required to comply with before the loss, even if the building was undamaged; and
 2. You failed to comply with.
- H. Example of proportionate loss payment for Ordinance Or Law Coverage Losses (procedure as set forth in Section B.3. of this endorsement).

Assume:

- Wind is a Covered Cause of Loss; Flood is an excluded Cause of Loss
- The building has a value of \$200,000
- Total direct physical damage to building: \$100,000
- The ordinance or law in this jurisdiction is enforced when building damage equals or exceeds 50% of the building's value
- Portion of direct physical damage that is covered (caused by wind): \$30,000
- Portion of direct physical damage that is not covered (caused by flood): \$70,000
- Loss under Ordinance Or Law Coverage **C** of this endorsement: \$60,000

Step 1:

Determine the proportion that the covered direct physical damage bears to the total direct physical damage.

$$\$30,000 \div \$100,000 = .30$$

Step 2:

Apply that proportion to the Ordinance or Law loss.

$$\$60,000 \times .30 = \$18,000$$

In this example, the most we will pay under this endorsement for the Coverage C loss is \$18,000, subject to the applicable Limit of Insurance and any other applicable provisions.

Note: The same procedure applies to losses under Coverages A and B of this endorsement.

I. The following definition is added:

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ORDINANCE OR LAW COVERAGE

This endorsement modifies insurance provided under the following:

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

SCHEDULE

Building Number/ Premises Number	Coverage A	Coverage B Limit Of Insurance	Coverage C Limit Of Insurance	Coverage B And C Combined Limit Of Insurance
22 / 22	<input checked="" type="checkbox"/>	\$	\$	\$68120 *
23 / 23	<input checked="" type="checkbox"/>	\$	\$	\$95590 *
24 / 24	<input checked="" type="checkbox"/>	\$	\$	\$73270 *

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

*Do not enter a Blanket Limit of Insurance if individual Limits of Insurance are selected for Coverages B and C, or if one of these Coverages is not applicable.

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

B. Application Of Coverage(s)

The Coverage(s) provided by this endorsement applies only if both B.1. and B.2. are satisfied and are then subject to the qualifications set forth in B.3.

1. The ordinance or law:
 - a. Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
 - b. Is in force at the time of loss.

But coverage under this endorsement applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this endorsement.

- 2.a. The building sustains direct physical damage that is covered under this policy and as a result of such damage, you are required to comply with the ordinance or
- b. The building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and as a result of the building damage in its entirety, you are required to comply with the ordinance or law.
- c. But if the building sustains direct physical damage that is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage under this endorsement even if the building has also sustained covered direct physical damage.
3. In the situation described in B.2.b. above, we will not pay the full amount of loss otherwise payable under the terms of Coverages A, B, and/or C of this endorsement. Instead, we will pay a proportion of such loss, meaning the proportion that the covered direct physical damage bears to the total direct physical damage.



(Section H. of this endorsement provides an example of this procedure.)

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

C. We will not pay under Coverage A, B or C of this endorsement for:

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

D. Coverage

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

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

Coverage A is included within the Limit Of Insurance shown in the Declarations as applicable to the covered building. Coverage A does not increase the Limit of Insurance.

2. Coverage B – Demolition Cost Coverage

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

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

3. Coverage C – Increased Cost Of Construction Coverage

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

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

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

However:

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

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

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

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

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

E. Loss Payment

1. All following loss payment provisions, E.2. through E.5., are subject to the apportionment procedures set forth in Section B.3. of this endorsement.

2. When there is a loss in value of an undamaged portion of a building to which Coverage A applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:
 - a. If the Replacement Cost Coverage Option applies and the property is being repaired or replaced, on the same or another premises, we will not pay more than the lesser of:
 - (1) The amount you would actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or
 - (2) The Limit Of Insurance shown in the Declarations as applicable to the covered building.
 - b. If the Replacement Cost Coverage Option applies and the property is not repaired or replaced, or if the Replacement Cost Coverage Option does not apply, we will not pay more than the lesser of:
 - (1) The actual cash value of the building at the time of loss; or
 - (2) The Limit Of Insurance shown in the Declarations as applicable to the covered building.
3. Unless Paragraph E.5. applies, loss payment under Coverage B – Demolition Cost Coverage will be determined as follows:

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

 - a. The amount you actually spend to demolish and clear the site of the described premises; or
 - b. The applicable Limit Of Insurance shown for Coverage B in the Schedule above.
4. Unless Paragraph E.5. applies, loss payment under Coverage C – Increased Cost Of Construction Coverage will be determined as follows:
 - a. We will not pay under Coverage C:
 - (1) Until the property is actually repaired or replaced, at the same or another premises; and
 - (2) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - b. If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Coverage C is the lesser of:
 - (1) The increased cost of construction at the same premises; or
 - (2) The applicable Limit Of Insurance shown for Coverage C in the Schedule
 - c. If the ordinance or law requires relocation to another premises, the most we will pay under Coverage C is the lesser of:
 - (1) The increased cost of construction at the new premises; or
 - (2) The applicable Limit Of Insurance shown for Coverage C in the Schedule above.
5. If a Combined Limit Of Insurance is shown for Coverages B and C in the Schedule above, Paragraphs E.3. and E.4. of this endorsement do not apply with respect to the building that is subject to the Combined Limit, and the following loss payment provisions apply instead:

The most we will pay, for the total of all covered losses for Demolition Cost and Increased Cost of Construction, is the Combined Limit Of Insurance shown for Coverages B and C in the Schedule above. Subject to this Combined Limit of Insurance, the following loss payment provisions apply:

 - a. For Demolition Cost, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.
 - b. With respect to the Increased Cost of Construction:
 - (1) We will not pay for the increased cost of construction:
 - (a) Until the property is actually repaired or replaced, at the same or another premises; and
 - (b) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - (2) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the same premises.

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

- F. The terms of this endorsement apply separately to each building to which this endorsement applies.
- G. Under this endorsement we will not pay for loss due to any ordinance or law that:
1. You were required to comply with before the loss, even if the building was undamaged; and
 2. You failed to comply with.
- H. Example of proportionate loss payment for Ordinance Or Law Coverage Losses (procedure as set forth in Section B.3. of this endorsement).

Assume:

- Wind is a Covered Cause of Loss; Flood is an excluded Cause of Loss
- The building has a value of \$200,000
- Total direct physical damage to building: \$100,000
- The ordinance or law in this jurisdiction is enforced when building damage equals or exceeds 50% of the building's value
- Portion of direct physical damage that is covered (caused by wind): \$30,000
- Portion of direct physical damage that is not covered (caused by flood): \$70,000
- Loss under Ordinance Or Law Coverage **C** of this endorsement: \$60,000

Step 1:

Determine the proportion that the covered direct physical damage bears to the total direct physical damage.

$$\$30,000 \div \$100,000 = .30$$

Step 2:

Apply that proportion to the Ordinance or Law loss.

$$\$60,000 \times .30 = \$18,000$$

In this example, the most we will pay under this endorsement for the Coverage C loss is \$18,000, subject to the applicable Limit of Insurance and any other applicable provisions.

Note: The same procedure applies to losses under Coverages A and B of this endorsement.

I. The following definition is added:

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ORDINANCE OR LAW COVERAGE

This endorsement modifies insurance provided under the following:

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

SCHEDULE

Building Number/ Premises Number	Coverage A	Coverage B Limit Of Insurance	Coverage C Limit Of Insurance	Coverage B And C Combined Limit Of Insurance
25 / 25	<input checked="" type="checkbox"/>	\$	\$	\$54380 *
26 / 26	<input checked="" type="checkbox"/>	\$	\$	\$53230 *
27 / 27	<input checked="" type="checkbox"/>	\$	\$	\$54380 *

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

*Do not enter a Blanket Limit of Insurance if individual Limits of Insurance are selected for Coverages B and C, or if one of these Coverages is not applicable.

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

B. Application Of Coverage(s)

The Coverage(s) provided by this endorsement applies only if both B.1. and B.2. are satisfied and are then subject to the qualifications set forth in B.3.

1. The ordinance or law:

- a. Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
- b. Is in force at the time of loss.

But coverage under this endorsement applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this endorsement.

2.a. The building sustains direct physical damage that is covered under this policy and as a result of such damage, you are required to comply with the ordinance or

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

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

3. In the situation described in B.2.b. above, we will not pay the full amount of loss otherwise payable under the terms of Coverages A, B, and/or C of this endorsement. Instead, we will pay a proportion of such loss, meaning the proportion that the covered direct physical damage bears to the total direct physical damage.



(Section H. of this endorsement provides an example of this procedure.)

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

C. We will not pay under Coverage A, B or C of this endorsement for:

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

D. Coverage

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

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

Coverage A is included within the Limit Of Insurance shown in the Declarations as applicable to the covered building. Coverage A does not increase the Limit of Insurance.

2. Coverage B – Demolition Cost Coverage

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

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

3. Coverage C – Increased Cost Of Construction Coverage

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

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

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

However:

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

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

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

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

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

E. Loss Payment

1. All following loss payment provisions, E.2. through E.5., are subject to the apportionment procedures set forth in Section B.3. of this endorsement.

2. When there is a loss in value of an undamaged portion of a building to which Coverage A applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:
 - a. If the Replacement Cost Coverage Option applies and the property is being repaired or replaced, on the same or another premises, we will not pay more than the lesser of:
 - (1) The amount you would actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or
 - (2) The Limit Of Insurance shown in the Declarations as applicable to the covered building.
 - b. If the Replacement Cost Coverage Option applies and the property is not repaired or replaced, or if the Replacement Cost Coverage Option does not apply, we will not pay more than the lesser of:
 - (1) The actual cash value of the building at the time of loss; or
 - (2) The Limit Of Insurance shown in the Declarations as applicable to the covered building.
3. Unless Paragraph E.5. applies, loss payment under Coverage B – Demolition Cost Coverage will be determined as follows:
We will not pay more than the lesser of the following:
 - a. The amount you actually spend to demolish and clear the site of the described premises; or
 - b. The applicable Limit Of Insurance shown for Coverage B in the Schedule above.
4. Unless Paragraph E.5. applies, loss payment under Coverage C – Increased Cost Of Construction Coverage will be determined as follows:
 - a. We will not pay under Coverage C:
 - (1) Until the property is actually repaired or replaced, at the same or another premises; and
 - (2) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - b. If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Coverage C is the lesser of:
 - (1) The increased cost of construction at the same premises; or
 - (2) The applicable Limit Of Insurance shown for Coverage C in the Schedule
 - c. If the ordinance or law requires relocation to another premises, the most we will pay under Coverage C is the lesser of:
 - (1) The increased cost of construction at the new premises; or
 - (2) The applicable Limit Of Insurance shown for Coverage C in the Schedule above.
5. If a Combined Limit Of Insurance is shown for Coverages B and C in the Schedule above, Paragraphs E.3. and E.4. of this endorsement do not apply with respect to the building that is subject to the Combined Limit, and the following loss payment provisions apply instead:
The most we will pay, for the total of all covered losses for Demolition Cost and Increased Cost of Construction, is the Combined Limit Of Insurance shown for Coverages B and C in the Schedule above. Subject to this Combined Limit of Insurance, the following loss payment provisions apply:
 - a. For Demolition Cost, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.
 - b. With respect to the Increased Cost of Construction:
 - (1) We will not pay for the increased cost of construction:
 - (a) Until the property is actually repaired or replaced, at the same or another premises; and
 - (b) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - (2) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the same premises.

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

- F. The terms of this endorsement apply separately to each building to which this endorsement applies.
- G. Under this endorsement we will not pay for loss due to any ordinance or law that:
1. You were required to comply with before the loss, even if the building was undamaged; and
 2. You failed to comply with.
- H. Example of proportionate loss payment for Ordinance Or Law Coverage Losses (procedure as set forth in Section B.3. of this endorsement).

Assume:

- Wind is a Covered Cause of Loss; Flood is an excluded Cause of Loss
- The building has a value of \$200,000
- Total direct physical damage to building: \$100,000
- The ordinance or law in this jurisdiction is enforced when building damage equals or exceeds 50% of the building's value
- Portion of direct physical damage that is covered (caused by wind): \$30,000
- Portion of direct physical damage that is not covered (caused by flood): \$70,000
- Loss under Ordinance Or Law Coverage **C** of this endorsement: \$60,000

Step 1:

Determine the proportion that the covered direct physical damage bears to the total direct physical damage.

$$\$30,000 \div \$100,000 = .30$$

Step 2:

Apply that proportion to the Ordinance or Law loss.

$$\$60,000 \times .30 = \$18,000$$

In this example, the most we will pay under this endorsement for the Coverage C loss is \$18,000, subject to the applicable Limit of Insurance and any other applicable provisions.

Note: The same procedure applies to losses under Coverages A and B of this endorsement.

I. The following definition is added:

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ORDINANCE OR LAW COVERAGE

This endorsement modifies insurance provided under the following:

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

SCHEDULE

Building Number/ Premises Number	Coverage A	Coverage B Limit Of Insurance	Coverage C Limit Of Insurance	Coverage B And C Combined Limit Of Insurance
28 / 28	<input checked="" type="checkbox"/>	\$	\$	\$54380 *
29 / 29	<input checked="" type="checkbox"/>	\$	\$	\$54380 *
30 / 30	<input checked="" type="checkbox"/>	\$	\$	\$54380 *

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

*Do not enter a Blanket Limit of Insurance if individual Limits of Insurance are selected for Coverages B and C, or if one of these Coverages is not applicable.

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

B. Application Of Coverage(s)

The Coverage(s) provided by this endorsement applies only if both B.1. and B.2. are satisfied and are then subject to the qualifications set forth in B.3.

1. The ordinance or law:

- a.** Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
- b.** Is in force at the time of loss.

But coverage under this endorsement applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this endorsement.

2.a. The building sustains direct physical damage that is covered under this policy and as a result of such damage, you are required to comply with the ordinance or

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

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

3. In the situation described in B.2.b. above, we will not pay the full amount of loss otherwise payable under the terms of Coverages A, B, and/or C of this endorsement. Instead, we will pay a proportion of such loss, meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

(Section H. of this endorsement provides an example of this procedure.)

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

C. We will not pay under Coverage A, B or C of this endorsement for:

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

D. Coverage

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

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

Coverage A is included within the Limit Of Insurance shown in the Declarations as applicable to the covered building. Coverage A does not increase the Limit of Insurance.

2. Coverage B – Demolition Cost Coverage

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

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

3. Coverage C – Increased Cost Of Construction Coverage

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

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

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

However:

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

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

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

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

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

E. Loss Payment

1. All following loss payment provisions, E.2. through E.5., are subject to the apportionment procedures set forth in Section B.3. of this endorsement.

2. When there is a loss in value of an undamaged portion of a building to which Coverage A applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:
 - a. If the Replacement Cost Coverage Option applies and the property is being repaired or replaced, on the same or another premises, we will not pay more than the lesser of:
 - (1) The amount you would actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or
 - (2) The Limit Of Insurance shown in the Declarations as applicable to the covered building.
 - b. If the Replacement Cost Coverage Option applies and the property is not repaired or replaced, or if the Replacement Cost Coverage Option does not apply, we will not pay more than the lesser of:
 - (1) The actual cash value of the building at the time of loss; or
 - (2) The Limit Of Insurance shown in the Declarations as applicable to the covered building.
3. Unless Paragraph E.5. applies, loss payment under Coverage B – Demolition Cost Coverage will be determined as follows:
We will not pay more than the lesser of the following:
 - a. The amount you actually spend to demolish and clear the site of the described premises; or
 - b. The applicable Limit Of Insurance shown for Coverage B in the Schedule above.
4. Unless Paragraph E.5. applies, loss payment under Coverage C – Increased Cost Of Construction Coverage will be determined as follows:
 - a. We will not pay under Coverage C:
 - (1) Until the property is actually repaired or replaced, at the same or another premises; and
 - (2) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - b. If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Coverage C is the lesser of:
 - (1) The increased cost of construction at the same premises; or
 - (2) The applicable Limit Of Insurance shown for Coverage C in the Schedule
 - c. If the ordinance or law requires relocation to another premises, the most we will pay under Coverage C is the lesser of:
 - (1) The increased cost of construction at the new premises; or
 - (2) The applicable Limit Of Insurance shown for Coverage C in the Schedule above.
5. If a Combined Limit Of Insurance is shown for Coverages B and C in the Schedule above, Paragraphs E.3. and E.4. of this endorsement do not apply with respect to the building that is subject to the Combined Limit, and the following loss payment provisions apply instead:
The most we will pay, for the total of all covered losses for Demolition Cost and Increased Cost of Construction, is the Combined Limit Of Insurance shown for Coverages B and C in the Schedule above. Subject to this Combined Limit of Insurance, the following loss payment provisions apply:
 - a. For Demolition Cost, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.
 - b. With respect to the Increased Cost of Construction:
 - (1) We will not pay for the increased cost of construction:
 - (a) Until the property is actually repaired or replaced, at the same or another premises; and
 - (b) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - (2) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the same premises.

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

- F. The terms of this endorsement apply separately to each building to which this endorsement applies.
- G. Under this endorsement we will not pay for loss due to any ordinance or law that:
1. You were required to comply with before the loss, even if the building was undamaged; and
 2. You failed to comply with.
- H. Example of proportionate loss payment for Ordinance Or Law Coverage Losses (procedure as set forth in Section B.3. of this endorsement).

Assume:

- Wind is a Covered Cause of Loss; Flood is an excluded Cause of Loss
- The building has a value of \$200,000
- Total direct physical damage to building: \$100,000
- The ordinance or law in this jurisdiction is enforced when building damage equals or exceeds 50% of the building's value
- Portion of direct physical damage that is covered (caused by wind): \$30,000
- Portion of direct physical damage that is not covered (caused by flood): \$70,000
- Loss under Ordinance Or Law Coverage **C** of this endorsement: \$60,000

Step 1:

Determine the proportion that the covered direct physical damage bears to the total direct physical damage.

$$\$30,000 \div \$100,000 = .30$$

Step 2:

Apply that proportion to the Ordinance or Law loss.

$$\$60,000 \times .30 = \$18,000$$

In this example, the most we will pay under this endorsement for the Coverage C loss is \$18,000, subject to the applicable Limit of Insurance and any other applicable provisions.

Note: The same procedure applies to losses under Coverages A and B of this endorsement.

I. The following definition is added:

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ORDINANCE OR LAW COVERAGE

This endorsement modifies insurance provided under the following:

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

SCHEDULE

Building Number/ Premises Number	Coverage A	Coverage B Limit Of Insurance	Coverage C Limit Of Insurance	Coverage B And C Combined Limit Of Insurance
31 / 31	<input checked="" type="checkbox"/>	\$	\$	\$68690 *
32 / 32	<input checked="" type="checkbox"/>	\$	\$	\$95590 *
33 / 33	<input checked="" type="checkbox"/>	\$	\$	\$84720 *

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

*Do not enter a Blanket Limit of Insurance if individual Limits of Insurance are selected for Coverages B and C, or if one of these Coverages is not applicable.

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

B. Application Of Coverage(s)

The Coverage(s) provided by this endorsement applies only if both B.1. and B.2. are satisfied and are then subject to the qualifications set forth in B.3.

1. The ordinance or law:
 - a. Regulates the demolition, construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and
 - b. Is in force at the time of loss.

But coverage under this endorsement applies only in response to the minimum requirements of the ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered under this endorsement.

- 2.a. The building sustains direct physical damage that is covered under this policy and as a result of such damage, you are required to comply with the ordinance or
- b. The building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and as a result of the building damage in its entirety, you are required to comply with the ordinance or law.
- c. But if the building sustains direct physical damage that is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage under this endorsement even if the building has also sustained covered direct physical damage.
3. In the situation described in B.2.b. above, we will not pay the full amount of loss otherwise payable under the terms of Coverages A, B, and/or C of this endorsement. Instead, we will pay a proportion of such loss, meaning the proportion that the covered direct physical damage bears to the total direct physical damage.



(Section H. of this endorsement provides an example of this procedure.)

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

C. We will not pay under Coverage A, B or C of this endorsement for:

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

D. Coverage

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

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

Coverage A is included within the Limit Of Insurance shown in the Declarations as applicable to the covered building. Coverage A does not increase the Limit of Insurance.

2. Coverage B – Demolition Cost Coverage

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

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

3. Coverage C – Increased Cost Of Construction Coverage

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

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

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

However:

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

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

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

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

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

E. Loss Payment

1. All following loss payment provisions, E.2. through E.5., are subject to the apportionment procedures set forth in Section B.3. of this endorsement.

2. When there is a loss in value of an undamaged portion of a building to which Coverage A applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:
 - a. If the Replacement Cost Coverage Option applies and the property is being repaired or replaced, on the same or another premises, we will not pay more than the lesser of:
 - (1) The amount you would actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or
 - (2) The Limit Of Insurance shown in the Declarations as applicable to the covered building.
 - b. If the Replacement Cost Coverage Option applies and the property is not repaired or replaced, or if the Replacement Cost Coverage Option does not apply, we will not pay more than the lesser of:
 - (1) The actual cash value of the building at the time of loss; or
 - (2) The Limit Of Insurance shown in the Declarations as applicable to the covered building.
3. Unless Paragraph E.5. applies, loss payment under Coverage B – Demolition Cost Coverage will be determined as follows:

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

 - a. The amount you actually spend to demolish and clear the site of the described premises; or
 - b. The applicable Limit Of Insurance shown for Coverage B in the Schedule above.
4. Unless Paragraph E.5. applies, loss payment under Coverage C – Increased Cost Of Construction Coverage will be determined as follows:
 - a. We will not pay under Coverage C:
 - (1) Until the property is actually repaired or replaced, at the same or another premises; and
 - (2) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - b. If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay under Coverage C is the lesser of:
 - (1) The increased cost of construction at the same premises; or
 - (2) The applicable Limit Of Insurance shown for Coverage C in the Schedule
 - c. If the ordinance or law requires relocation to another premises, the most we will pay under Coverage C is the lesser of:
 - (1) The increased cost of construction at the new premises; or
 - (2) The applicable Limit Of Insurance shown for Coverage C in the Schedule above.
5. If a Combined Limit Of Insurance is shown for Coverages B and C in the Schedule above, Paragraphs E.3. and E.4. of this endorsement do not apply with respect to the building that is subject to the Combined Limit, and the following loss payment provisions apply instead:

The most we will pay, for the total of all covered losses for Demolition Cost and Increased Cost of Construction, is the Combined Limit Of Insurance shown for Coverages B and C in the Schedule above. Subject to this Combined Limit of Insurance, the following loss payment provisions apply:

 - a. For Demolition Cost, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.
 - b. With respect to the Increased Cost of Construction:
 - (1) We will not pay for the increased cost of construction:
 - (a) Until the property is actually repaired or replaced, at the same or another premises; and
 - (b) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
 - (2) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the same premises.

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

- F. The terms of this endorsement apply separately to each building to which this endorsement applies.
- G. Under this endorsement we will not pay for loss due to any ordinance or law that:
1. You were required to comply with before the loss, even if the building was undamaged; and
 2. You failed to comply with.
- H. Example of proportionate loss payment for Ordinance Or Law Coverage Losses (procedure as set forth in Section B.3. of this endorsement).

Assume:

- Wind is a Covered Cause of Loss; Flood is an excluded Cause of Loss
- The building has a value of \$200,000
- Total direct physical damage to building: \$100,000
- The ordinance or law in this jurisdiction is enforced when building damage equals or exceeds 50% of the building's value
- Portion of direct physical damage that is covered (caused by wind): \$30,000
- Portion of direct physical damage that is not covered (caused by flood): \$70,000
- Loss under Ordinance Or Law Coverage **C** of this endorsement: \$60,000

Step 1:

Determine the proportion that the covered direct physical damage bears to the total direct physical damage.

$$\$30,000 \div \$100,000 = .30$$

Step 2:

Apply that proportion to the Ordinance or Law loss.

$$\$60,000 \times .30 = \$18,000$$

In this example, the most we will pay under this endorsement for the Coverage C loss is \$18,000, subject to the applicable Limit of Insurance and any other applicable provisions.

Note: The same procedure applies to losses under Coverages A and B of this endorsement.

I. The following definition is added:

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

CAUSES OF LOSS – SPECIAL FORM

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

A. Covered Causes Of Loss

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

B. Exclusions

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

a. Ordinance Or Law

The enforcement of or compliance with any ordinance or law:

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

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

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

b. Earth Movement

- (1) Earthquake, including tremors and aftershocks and any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;

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

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

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

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

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

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

Volcanic Action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

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

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

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

d. Nuclear Hazard

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

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

e. Utility Services

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

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

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

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

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

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

f. War And Military Action

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

g. Water

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

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

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

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

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

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

This exclusion does not apply:

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

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

2. We will not pay for loss or damage caused by or resulting from any of the following:
 - a. Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:
 - (1) Electrical or electronic wire, device, appliance, system or network; or
 - (2) Device, appliance, system or network utilizing cellular or satellite technology.

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

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

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

- b. Delay, loss of use or loss of market.
- c. Smoke, vapor or gas from agricultural smudging or industrial operations.
- d. (1) Wear and tear;
- (2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;

- (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals.
- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force. But if mechanical breakdown results in elevator collision, we will pay for the loss or damage caused by that elevator collision.
- (7) The following causes of loss to personal property:
 - (a) Dampness or dryness of atmosphere;
 - (b) Changes in or extremes of temperature; or
 - (c) Marring or scratching.

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

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

- (2) You drain the equipment and shut off the supply if the heat is not maintained.
- h.** Dishonest or criminal act (including theft) by you, any of your partners, members, officers, managers, employees (including temporary employees and leased workers), directors, trustees or authorized representatives, whether acting alone or in collusion with each other or with any other party; or theft by any person to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

This exclusion:

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

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

This exclusion, **k.**, does not apply:

- (a) To the extent that coverage is provided under the Additional Coverage, Collapse; or

- (b) To collapse caused by one or more of the following:

- (i) The "specified causes of loss";
- (ii) Breakage of building glass;
- (iii) Weight of rain that collects on a roof; or
- (iv) Weight of people or personal property.

- l.** Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

This exclusion, **l.**, does not apply to damage to glass caused by chemicals applied to the glass.

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

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

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

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

- c.** Faulty, inadequate or defective:

- (1) Planning, zoning, development, surveying, siting;

- (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;

- (3) Materials used in repair, construction, renovation or remodeling; or

- (4) Maintenance;

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

4. Special Exclusions

The following provisions apply only to the specified Coverage Forms:

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

We will not pay for:

- (1) Any loss caused by or resulting from:
 - (a) Damage or destruction of "finished stock"; or
 - (b) The time required to reproduce "finished stock".

This exclusion does not apply to Extra Expense.
- (2) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.
- (3) Any increase of loss caused by or resulting from:
 - (a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
 - (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage and the Extended Period Of Indemnity Optional Coverage or any variation of these.
- (4) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".

- (5) Any other consequential loss.

b. Leasehold Interest Coverage Form

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

c. Legal Liability Coverage Form

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

(a) Contractual Liability

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

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

(b) Nuclear Hazard

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

5. Additional Exclusion

The following provisions apply only to the specified property:

Loss Or Damage To Products

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

C. Limitations

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

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

However, this limitation does not apply to:

 - (1) Building materials and supplies held for sale by you, unless they are insured under the Builders Risk Coverage Form; or
 - (2) Business Income Coverage or Extra Expense Coverage.
- e. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.
- f. Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
- g. Lawns, trees, shrubs or plants which are part of a vegetated roof, caused by or resulting from:
 - (1) Dampness or dryness of atmosphere or of soil supporting the vegetation;
 - (2) Changes in or extremes of temperature;
 - (3) Disease;
 - (4) Frost or hail; or
 - (5) Rain, snow, ice or sleet.
2. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:
 - a. Animals, and then only if they are killed or their destruction is made necessary.
 - b. Fragile articles such as statuary, marbles, chinaware and porcelains, if broken. This restriction does not apply to:
 - (1) Glass; or
 - (2) Containers of property held for sale.
 - c. Builders' machinery, tools and equipment owned by you or entrusted to you, provided such property is Covered Property.

However, this limitation does not apply:

 - (1) If the property is located on or within 100 feet of the described premises, unless the premises is insured under the Builders Risk Coverage Form; or
 - (2) To Business Income Coverage or to Extra Expense Coverage.

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

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

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

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

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

D. Additional Coverage – Collapse

The coverage provided under this Additional Coverage, Collapse, applies only to an abrupt collapse as described and limited in **D.1.** through **D.7.**

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

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

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

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

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

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

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

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

1. The coverage described in **E.2.** and **E.6.** only applies when the "fungus", wet or dry rot or bacteria are the result of one or more of the following causes that occur during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence:

- a. A "specified cause of loss" other than fire or lightning; or
- b. Flood, if the Flood Coverage Endorsement applies to the affected premises.

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

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

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

3. The coverage described under **E.2.** of this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) and Flood which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet or dry rot or bacteria, we will not pay more than a total of \$15,000 even if the "fungus", wet or dry rot or bacteria continue to be present or active, or recur, in a later policy period.

4. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus", wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

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

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

F. Additional Coverage Extensions

1. Property In Transit

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

- a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.
- b. Loss or damage must be caused by or result from one of the following causes of loss:
 - (1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
 - (2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the roadbed.
 - (3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.
- c. The most we will pay for loss or damage under this Extension is \$5,000.

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

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

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

3. Glass

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

- b. We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

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

G. Definitions

- 1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
- 2. "Specified causes of loss" means the following: fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire-extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.
 - a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
 - (1) The cost of filling sinkholes; or
 - (2) Sinking or collapse of land into man-made underground cavities.
 - b. Falling objects does not include loss or damage to:
 - (1) Personal property in the open; or
 - (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.

c. Water damage means:

- (1) Accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam; and
- (2) Accidental discharge or leakage of water or waterborne material as the direct result of the breaking apart or cracking of a water or sewer pipe 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 under this policy in the situation in which discharge or leakage of water results from the breaking apart or cracking of a pipe which was caused by or related to weather-induced flooding, even if wear and tear contributed to the breakage or cracking. As another example, and also in accordance with the terms of the Water Exclusion, there is no coverage for loss or damage caused by or related to weather-induced flooding which follows or is exacerbated by pipe breakage or cracking attributable to wear and tear.

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DEDUCTIBLES BY LOCATION

This endorsement modifies insurance provided under the following:

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

SCHEDULE

Location *	Deductible	Covered Cause(s) Of Loss**
	\$	
	\$	
	\$	
<p>*Describe the premises to which each deductible applies. If a deductible (whether of the same amount or a different amount) is to apply separately at each building, list each building as a separate Location in this Schedule.</p> <p>**For each deductible listed in this Schedule, enter the number corresponding to the Covered Cause(s) of Loss to which that deductible applies (or enter the description):</p> <ul style="list-style-type: none"> (1) All Covered Causes of Loss (2) All Covered Causes of Loss except Windstorm Or Hail (3) All Covered Causes of Loss except Theft (4) All Covered Causes of Loss except Windstorm Or Hail and Theft (5) Windstorm Or Hail (6) Theft 		
<p>Information required to complete this Schedule, if not shown above, will be shown in the Declarations.</p>		

The Deductible clause in this Coverage Form or policy is amended by the following provisions, which apply with respect to the locations shown in the Schedule of this endorsement.

- A.** Applicable deductibles by location are shown in the Schedule. If the Schedule shows a deductible for a particular building, then that building is considered to be a separate location for the purpose of this endorsement.
- B.** The deductible specified for a particular location applies to all property at that location. Therefore, if a building is shown in the Schedule as a separate location, all Covered Property at that location is subject to that deductible. The deductible will apply only once at that location in each occurrence of loss or damage.
- C.** If one occurrence results in loss or damage at more than one location, the applicable deductible will apply separately to loss or damage at each location that has sustained loss or damage, in accordance with the information shown in the Schedule for locations and deductibles. Therefore, for example, if fire damages two buildings which are shown in the Schedule as separate locations, the applicable deductible will be applied separately to the loss at each location.
- D.** The terms of this endorsement do not apply to any Windstorm Or Hail Percentage Deductible or Hurricane (or Named Storm) Deductible provided elsewhere in this policy.
- E.** This policy does not cover Earthquake or Flood unless such causes of loss are added to the policy as covered causes of loss. If Earthquake and/or Flood are added to this policy as covered causes of loss, the terms of this endorsement do not apply to Earthquake or Flood and corresponding deductibles will be shown elsewhere in this policy and identified as such.

EXAMPLE

In this example, the indicated deductibles apply to All Covered Causes of Loss at the specified locations.

This example assumes:

- That the loss at each location is less than the sum of the Limit of Insurance and the Deductible applicable to that location.
- That insurance is adequate and therefore a Coinsurance penalty does not apply.
- A fire damages Buildings 1 and 2, and Business Personal Property (BPP) at those buildings.

Location	Deductible	Loss to Building	Loss to Business Personal Property
Building Loc. 1	\$10,000	\$50,000	\$50,000
Building Loc. 2	\$10,000	\$10,000	\$20,000

Calculation of Loss Payment

Building Location 1

Total amount of loss	\$100,000
Minus deductible	<u>- 10,000</u>
Loss Payment	\$90,000

Building Location 2

Total amount of loss	\$30,000
Minus deductible	<u>-10,000</u>
Loss Payment	\$20,000



PHONE 815/229-1500

527 COLMAN CENTER DRIVE • P.O. BOX 5626 • ROCKFORD, ILLINOIS 61125

POLICYHOLDER NOTICE

This notice provides information regarding changes to your policy renewal offer. It is not a part of your insurance contract and no coverage is provided by this notice. **READ YOUR POLICY DOCUMENTS CAREFULLY** to determine the actual terms and conditions of your policy and its endorsements.

Illinois Changes, 98-0118 01 14 is replaced by CP RM02 10 19. The following changes apply:

- When a property loss is caused by the peril of windstorm or hail, notice must be provided to us within one year of the "occurrence".
- Legal Action Against Us under Property Loss Conditions must be brought within one year after the date on which the direct physical loss or damage occurred.

Should you have any questions regarding your policy, please contact your agent.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT

COMMUNICABLE DISEASE ILLINOIS

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM
COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL LIABILITY UMBRELLA COVERAGE FORM

A. The following exclusion is added:

Communicable Disease

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the actual or alleged transmission of a "communicable disease".

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

- a. Supervising, hiring, employing, training or monitoring of others that may be infected with and spread a communicable disease;
- b. Testing for a communicable disease;
- c. Failure to prevent the spread of the
or
- d. Failure to report the disease to authorities.

B. The following definition is added:

"Communicable Disease" means:

1. an infectious or contagious illness, sickness, disease that can be contracted, transmitted, or transferred by any means directly or indirectly to a person.
2. Includes, but is not limited to, the following and any variant(s) or strains thereof: Acquired immune deficiency syndrome (AIDS) or human immunodeficiency virus (HIV, including but not limited to HIV 1 and HIV-2); human t-cell lymphotropic virus (HTVL, including but not limited to HTVL-I, HTVL-II); any hepatitis virus; severe acute respiratory syndrome (SARS)
3. Any infectious disease epidemic, pandemic, pandemic alert or outbreak (or other term of similar meaning) that is declared, announced or otherwise notified by the U. S. Center for Disease Control and Prevention (as such is reported in the Morbidity and Mortality Weekly Report), World Health Organization, any national, state or local public health organization, or any organization acting in a similar capacity.

including but not limited to SARS-CoV-2 (the novel coronavirus that caused coronavirus disease 2019, COVID-19); Middle East Respiratory Syndrome (MERS, including but not limited to MERS –CoV); herpes virus; any venereal disease or sexually transmitted disease, illness or condition; hantavirus, Zika virus, Norovirus; any of the Ebola virus species; Chronic Wasting Disease (CWD); Escherichia coli (E.coli); Influenza (including, but not limited to, all strains and mutations of avian, human or swine flu); Measles, Methicillin-resistant Staphylococcus Aureus (MRSA); Salmonellosis; Legionnaires Disease; Transmissible Spongiform Encephalopathy (TSE) (including, but not limited to, Bovine Spongiform Encephalopathy (BSE, mad cow disease); Creutzfeldt-Jacob disease (nvCJD) including but not limited to New Variant Creutzfeldt-Jakob Disease; Gerstmann-Straussler-Scheinker syndrome (GSS); fatal familial insomnia (FFI); kuru; Tuberculosis, Kawasaki disease, and West Nile Virus.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ILLINOIS CHANGES

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART
 FARM COVERAGE PART
 STANDARD PROPERTY POLICY

- A.** When this endorsement is attached to Standard Property Policy **CP 00 99**, the terms Coverage Part and Coverage Form in this endorsement are replaced by the term Policy.
- B.** Item **(2)** under **Duties In The Event Of Loss Or Damage** Loss Conditions is deleted and replaced by the following:
- (2)** Give us prompt notice of the loss or damage. With respect to a loss caused by the peril of windstorm or hail, that notice must be provided to us within one year after the date of "occurrence". Include a description of the property involved.
- C.** Item **2.** under the **Legal Action Against Us** Condition is deleted and replaced by the following:
- 2.** The action is brought within 1 year after the date on which the direct physical loss or damage occurred.
- This one-year period for legal action against us is extended by the number of days between the date the proof of loss is filed with us and the date we deny the claim in whole or in part.
- D.** The first paragraph of the **Appraisal** Loss Condition is deleted and replaced by the following:
- If you and we fail to agree on the amount of loss, either may demand an appraisal of the loss. In this event, each party will choose a competent and impartial appraiser within 20 days after receiving a written request from the other. The two appraisers will choose an umpire. If they cannot agree upon an umpire within 15 days, you or we may request that the choice be made by a judge of a court having jurisdiction. The appraisers will separately set the amount of loss. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will set the amount of loss.
- E.** If this policy covers:
- 1.** The following in **a.** and **b.**, then Paragraphs **2.** and **3.** apply:
 - a.** Real property used principally for residential purposes up to and including a four family dwelling; or
 - b.** Household or personal property that is usual or incidental to the occupancy of any premises used for residential purposes.
 - 2.** The second paragraph of the **Appraisal** Condition is deleted and replaced by the following:
 - a.** Each party will pay its own appraiser and bear the other expenses of the appraisal and umpire equally, except as provided in **b.** below.
 - b.** We will pay your appraiser's fee and the umpire's appraisal fee, if the following conditions exist:
 - (1)** You demanded the appraisal; and
 - (2)** The full amount of loss, as set by your appraiser, is agreed to by our appraiser or by the umpire.
 - 3.** The **Concealment, Misrepresentation Or Fraud** Condition is replaced by the following:

Concealment, Misrepresentation Or Fraud

 - a.** This Coverage Part or Coverage Form is void if you or any insured ("insured") commit fraud or conceal or misrepresent a fact in the process leading to the issuance of this insurance, and such fraud, concealment or misrepresentation is stated in the policy or endorsement or in the written application for this policy
 - (1)** Was made with actual intent to deceive; or

(2) Materially affected either our decision to provide this insurance or the hazard we assumed.

However, this condition will not serve as a reason to void this Coverage Part or Coverage Form after the Coverage Part or Coverage Form has been in effect for one year or one policy term, whichever

b. We do not provide coverage under this Coverage Part or Coverage Form to you or any other insured ("insured") who, at any time subsequent to the issuance of this insurance, commit fraud or intentionally conceal or misrepresent a material fact relating to:

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

c. Notwithstanding the limitations stated in 3.a. above, we may cancel the Coverage Part or Coverage Form in accordance with the terms of the Cancellation Condition.

F. For the Commercial Property Coverage Part and the Standard Property Policy, the following exclusion and related provisions are added to Paragraph B.2. Exclusions in the Causes of Loss Forms and to any Coverage Form or policy to which a Causes of Loss Form is not attached:

1. We will not pay for loss or damage arising out of any act an insured commits or conspires to commit with the intent to cause a loss.
In the event of such loss, no insured is entitled to coverage, even insureds who did not commit or conspire to commit the act causing the loss.
2. However, this exclusion will not apply to deny payment to an innocent co-insured who did not cooperate in or contribute to the creation of the loss if:
 - a. The loss arose out of a pattern of criminal domestic violence; and
 - b. The perpetrator of the loss is criminally prosecuted for the act causing the loss.
3. If we pay a claim pursuant to Paragraph E.2., our payment to the insured is limited to that insured's insurable interest in the property less any payments we first made to a mortgagee or other party with a legal secured interest in the property. In no event will we pay more than the Limit of Insurance.

G. The **Intentional Loss Exclusion** in the Causes of Loss Form – Farm Property, Mobile Agricultural Machinery And Equipment Coverage Form and Livestock Coverage Form is replaced by the following:

1. We will not pay for loss ("loss") or damage arising out of any act an "insured" commits or conspires to commit with the intent to cause a loss ("loss").
In the event of such loss ("loss"), no "insured" is entitled to coverage, even "insureds" who did not commit or conspire to commit the act causing the loss ("loss").
2. However, this exclusion will not apply to deny payment to an innocent co-"insured" who did not cooperate in or contribute to the creation of the loss ("loss") if:
 - a. The loss ("loss") arose out of a pattern of criminal domestic violence; and
 - b. The perpetrator of the loss ("loss") is criminally prosecuted for the act causing the loss.
3. If we pay a claim pursuant to Paragraph F.2., our payment to the "insured" is limited to that "insured's" insurable interest in the property less any payments we first made to a mortgagee or other party with a legal secured interest in the property. In no event will we pay more than the Limit of Insurance.

H. The **Intentional Loss Exclusion** in the Capital Assets Program (Output Policy) Coverage Part, is replaced by the following:

1. We will not pay for loss or damage arising out of any act an insured commits or conspires to commit with the intent to cause a loss.
In the event of such loss, no insured is entitled to coverage, even insureds who did not commit or conspire to commit the act causing the loss.
2. However, this exclusion will not apply to deny payment to an innocent co-insured who did not cooperate in or contribute to the creation of the loss if:
 - a. The loss arose out of a pattern of criminal domestic violence; and
 - b. The perpetrator of the loss is criminally prosecuted for the act causing the loss.
3. If we pay a claim pursuant to Paragraph G.2., our payment to the insured is limited to that insured's insurable interest in the property less any payments we first made to a mortgagee or other party with a legal secured interest in the property. In no event will we pay more than the Limit of Insurance.

EMPLOYMENT PRACTICES LIABILITY INSURANCE COVERAGE ENDORSEMENT

This insurance provides claims made and reported coverage. Defense expense is payable within, and not in addition to, the limits of insurance and is subject to the deductible. Payment of defense expense will reduce the limit of insurance and the deductible.

This coverage consists of this employment practices liability coverage part endorsement, the cancellation and non-renewal provisions of the policy to which this coverage part endorsement is attached, and any endorsements attached to and made a part of this coverage part endorsement. Please read this entire coverage carefully to determine rights, duties, coverage and coverage restrictions.

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM
COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Limits	
Each "Claim"	Aggregate
\$ 50,000	\$ 50,000
Deductible	
Deductible Each "Claim": \$ 5,000	
Retroactive Date	
Retroactive Date:	
If retroactive date is blank, the entry will be deemed the same as the effective date of this policy period	

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

Throughout this Coverage, the words "you" and "your" refer to the Named Insured shown in the Declarations and any other person or organization qualifying as a Named Insured under this Coverage. The words "we", "us" and "our" refer to the Company providing this insurance. The word "insured" means any person or organization qualifying as such under **SECTION II – WHO IS AN INSURED**.

All words and phrases that appear in quotation marks have special meaning. Refer to **SECTION VII – DEFINITIONS**.

SECTION I – COVERAGE

In consideration of the payment of premium and subject to the limits of insurance, deductible, conditions, exclusions, definitions, and other terms of this Coverage, we agree with you as follows:

1. Insuring Agreement

- a. We will pay on behalf of the insured "damages" in excess of the Deductible arising out of any "claim" for "wrongful employment practices" to which this insurance applies.

We have no obligation under this insurance to make payments or perform acts or services except as provided for in this paragraph and in paragraph 2. below.

- b. This insurance applies to a "claim" for "wrongful employment practices" only if:
- (1) The "wrongful employment practices" take place in the "coverage territory";
 - (2) Such "wrongful employment practices" first occurred:
 - (a) On or after the Retroactive Date, if any, shown in the Declarations; and
 - (b) Before the end of the policy period; and
 - (3) The "claim" is both:
 - (a) First made against any insured, in accordance with paragraph c. below, during the policy period or any applicable Extended Reporting Period we provide under **SECTION VI – EXTENDED REPORTING PERIODS**; and
 - (b) Reported to us either (i) during the policy period or within thirty (30) days thereafter; or (ii) with respect to any "claim" first made during any applicable Extended Reporting Period we provide under **SECTION VI – EXTENDED REPORTING PERIODS**, during such Extended Reporting Period.
- c. A "claim" will be deemed to have been made at the earlier of the following times:
- (1) When notice of such "claim" is received and recorded by you or by us, whichever comes first; or
 - (2) When we make settlement in accordance with paragraph 2.b.(2) below.
- d. All "claims" by one or more claimants based on or arising out of:
- (1) One "wrongful employment practice"; or
 - (2) An "interrelated" series of "wrongful employment practices";
- by one or more insureds shall be deemed to be one "claim" and to have been made at the time the first of those "claims" is made against any insured.
- e. Each payment we make for "damages" or "defense expense" reduces the amount of insurance available, as provided under **SECTION III – LIMITS OF INSURANCE**.

2. Defense of "Claims", Administrative Hearings & Settlement Authority

Subject to the limits of insurance, deductible, conditions, exclusions, definitions, and other terms of this Coverage:

- a. We have the right and duty to defend "claims" against the insured to which this insurance applies and to pay for related "defense expense."
- However, we have no duty to:
- (1) Defend "claims" against the insured; or
 - (2) Pay for related "defense expense",
- when this insurance does not apply.

- b. We may, at our sole discretion:
- (1) Investigate any "wrongful employment practice"; and
 - (2) Settle any "claim" which may result, provided:
 - (a) We have the insured's written consent to settle; and
 - (b) The settlement is within the applicable limit of insurance available.
- c. Our liability will be limited as described below if:
- (1) The insured refuses to consent to any settlement we recommend; and
 - (2) Such recommended settlement is acceptable to the claimant.

After such refusal, our liability under this Coverage for such "claim" shall not exceed the amount we would have paid for "damages" and "defense expense" if the insured had consented to our settlement recommendation. The insured shall thereafter be responsible for the negotiation and defense of that "claim" at the insured's own cost and without our involvement.

- d. Our right and duty to defend such "claims" ends when we have exhausted the limit of insurance available, as provided under **SECTION III – LIMITS OF INSURANCE**. This applies both to "claims" pending at that time and any that may be made.
- e. Selection of defense counsel shall be made by us. However, if you give us a specific written request at the time a "claim" is first made, you may ask us to consider the approval of a defense attorney of your choice. We will consider the request if we deem it appropriate to engage counsel for such "claim". We will have sole discretion as to whether such requests are granted.

We will notify you in writing when the applicable limit of insurance has been exhausted by the payment of judgments, settlements or "defense expense". We will also initiate and cooperate in the transfer of defense of any "claim" to an appropriate insured for whom the duty to defend has ended by reason of paragraph **2.d.** above.

- f. Upon notice to us and with our prior approval, the first Named Insured is authorized to act on behalf of all insureds with respect to the payment of "damages" in settlement of any Administrative Hearing or other non-judicial proceeding before the Federal Equal Employment Opportunity Commission, or any similar federal, state or local body or commission. This authorization is limited to the sum of:
- (1) "Damages" covered by this Coverage; and
 - (2) "Defense expenses", as defined in paragraph **5.d.** in **SECTION VII – DEFINITIONS**;
- in a total amount not to exceed two times the amount of the deductible stated in the Declarations.
- g. No insureds will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent, other than those specific payments authorized under paragraph **2.f.** above.

3. Exclusions

This insurance does not apply to "claims" based on, arising out of, or in any way involving:

- a. (1) "Wrongful employment practices" which were the subject of any demand, "suit" or other proceeding which was initiated against any insured; or
- (2) Facts and circumstances which would cause a reasonable person to believe a "claim" would be made and which were known to any insured;
- prior to the effective date of the earlier of:
- (i) The first Coverage of this type that we issued to you of which this Coverage was an uninterrupted renewal of this type of coverage; or
 - (ii) This Coverage.

- b.** Any obligation to pay "damages" by reason of the assumption of liability in any contract or agreement; including, but not limited to, loss of any benefit conferred or loss of any obligation imposed under an express contract of employment.

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

- c.** Liability arising under any workers compensation, disability benefits or unemployment compensation law, or any similar federal, state or local law.
- d.** Liability arising under the Employees' Retirement Income Security Act of 1974, Public Law 93-406, (ERISA) including any amendment thereto, or any similar federal, state, or local law. This includes:
- (1)** Fiduciary liability;
 - (2)** Liability arising out of the administration of any employee benefit plan; and
 - (3)** Any other liability under any such laws.
- e.** Liability arising under the Fair Labor Standards Act, or any federal, state, local or common law wage or hour law including, but not limited to laws governing minimum wages, hours worked, overtime compensation and including any recordkeeping and reporting related thereto. This also includes any laws, rules or regulations promulgated under any amendment to the Fair Labor Standards Act and any similar federal, state or local law.

This exclusion includes actions or "claims" brought by or on behalf of individuals or agencies seeking wages, fines, penalties, taxes, disgorgement, reimbursement of business expenses or other affirmative relief or compensation.

This exclusion does not apply to "claims" based on the Equal Pay Act.

- f.** Liability arising under the National Labor Relations Act; the Worker Adjustment and Retraining Notification Act (Public Law 100-379); the Consolidated Omnibus Budget Reconciliation Act of 1985; or the Occupational Safety and Health Act. This includes any rules or regulations promulgated under any of the foregoing and amendments thereto, and any similar federal, state or local law.

However, exclusions **c.** through **f.** shall not apply to any "claim" based upon, arising from or in consequence of any actual or alleged retaliatory treatment of the claimant by the insured on account of the claimant's exercise of rights pursuant to any such law.

- g.** Oral or written publication of material if such material:

- (1)** Was published by or at the direction of the insured with knowledge of the material's falsity; or
- (2)** Was first published before the Retroactive Date, if any, shown in the Declarations.

- h.** Dishonest, criminal or fraudulent acts of the insured; however, this exclusion does not apply unless a final adjudication establishes that dishonest, criminal or fraudulent acts were committed by the insured. The enforcement of this exclusion against any insured shall not be imputed to any other insured.

- i.** The willful failure by the insured or with the insured's consent to comply with any administrative order directed to the insured relating to "wrongful employment practices".

Willful, as used in this exclusion i., means acting with intentional or reckless disregard for such employment related laws, orders or regulations.

The enforcement of this exclusion against any insured shall not be imputed to any other insured.

- j.** "Bodily injury".

- k.** "Wrongful employment practices" which occur when or after any other business entity acquires an ownership interest in you, which is greater than fifty percent.

- l.** Costs of complying with physical modifications to your premises or any changes to your usual business operations as mandated by the Americans with Disabilities Act of 1990 including any amendment thereto, or any similar federal, state or local law.

This exclusion also applies to any "claim" based upon, arising from or in consequence of any actual or alleged retaliatory treatment of the claimant by the insured on account of the claimant's exercise of rights pursuant to the cost of complying with physical modifications to your premises or any changes to your usual business operations as mandated by the Americans with Disabilities Act of 1990 including any amendment thereto, or any similar federal, state or local law.

- m.** Lockout, strike, picket line, related worker replacements or other similar actions resulting from labor disputes or labor negotiations.

This exclusion also applies to any "claim" based upon, arising from or in consequence of any actual or alleged retaliatory treatment of the claimant by the insured on account of the claimant's exercise of rights pursuant to labor disputes or labor negotiations.

- n.** With respect to confidential or personal information, including financial, health, biometric, employment or any other type of nonpublic information in any form:

- (1)** Access to or disclosure of such information; or

- (2)** Collection, acquisition, maintenance, or retention of confidential or personal information, including the failure to comply with a legal requirement to correct or delete such information, or provide individuals with the ability to consent to the collection, acquisition, maintenance, or retention of such information.

However, exclusion **n.** shall not apply to allegations of "wrongful employment practices" as described in sub-paragraphs **a.** through **i.** of the definition of "wrongful employment practices".

- o.** Lending, or arranging for the lending of, money, including credit card, debit card, leasing or mortgage operations or activities in connection with a "claim" made against an insured by a client, customer or vendor of yours.
- p.** The rental or sale of any kind of housing in connection with a "claim" made against an insured by a client, customer or vendor of yours.
- q.** Website creation, ownership or maintenance in connection with a "claim" made against an insured by a client, customer or vendor of yours.

SECTION II – WHO IS AN INSURED

- 1.** For purposes of this insurance, 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 current or former 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 current or former members are also insureds, but only with respect to the conduct of your business. Your current or former managers are insureds, but only with respect to their duties as your managers.
 - d.** An organization other than a partnership or joint venture, you are an insured. Your current or former directors are insureds, but only with respect to their duties as your directors.
- 2.** Your current or former "employees" and "volunteers" are insureds, but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.
- 3.** Any heirs, executors, administrators, assignees or legal representatives of any individual insured in paragraphs **1.** and **2.** above, in the event of the death, bankruptcy or incapacity of such insured, shall be insureds but only to the extent this insurance would have been available to such insured but for their death, bankruptcy or incapacity.
- 4.** "Subsidiaries" of the Named Insured owned prior to the inception of the policy period are insureds, but only if there is no other similar insurance available to that "subsidiary" or organization.

5. Newly acquired or formed "subsidiaries" or organizations (other than a partnership, joint venture or limited liability company) over which you maintain ownership or majority interest are insureds if there is no other similar insurance available to that organization, but only when the newly acquired "subsidiary" or organization meets the following requirements:
- a. You must provide us notice of such acquisition or formation within thirty (30) days of the effective date of your acquisition or formation;
 - b. Coverage under this provision is afforded until the ninetieth (90th) day after you acquire or form the "subsidiary" or organization or the end of the policy period, whichever is earlier;
 - c. Coverage does not apply to any "wrongful employment practices" that occurred before you acquired or formed the "subsidiary" or organization; and
 - d. You must pay us any additional premium due as a condition precedent to the enforceability of this additional extension of coverage.

This paragraph does not apply to any organization after it is shown in the Declarations.

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

SECTION III – LIMITS OF INSURANCE

1. The limit of insurance stated as Aggregate Limit on the Declarations is the most we will pay for the sum of:
 - a. "Damages" for all "claims" arising out of any actual or alleged "wrongful employment practices" covered by this insurance; and
 - b. "Defense expenses" for all "claims" to which this insurance applies.

Each payment we make for such "damages" or "defense expenses" reduces the Aggregate Limit by the amount of the payment.

This reduced limit will then be the amount of insurance available for further "damages" and "defense expenses" under this Coverage.

2. Subject to paragraph 1. above, the limit of insurance stated as the Each "Claim" Limit on the Declarations is the most we will pay in excess of the deductible, as further described in **SECTION IV – DEDUCTIBLE**, for the sum of:
 - a. "Damages" for injury arising from "wrongful employment practices"; and
 - b. "Defense expenses";
 arising out of any "claim" to which this insurance applies.

3. In addition to the payments for "damages" and "defense expenses" in paragraphs 1. and 2. above, we will pay 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 amount available for the judgment under the provisions of paragraphs 1. and 2. above. These amounts are not included in the limits of insurance.

The limits of insurance of this Coverage apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the limits of insurance.

SECTION IV – DEDUCTIBLE

1. A deductible applies to all "damages" for injury arising from "wrongful employment practices" and any "defense expense" however caused for any one "claim".

2. Our obligation to pay "damages" and "defense expense" on behalf of any insured applies only to the sum of the amount of "damages" and "defense expense" for any one "claim" which are in excess of the deductible amount stated on the Declarations.
3. Your obligation is to pay the deductible applicable to each "claim" made against this insurance. That deductible applies to the sum of all "damages" because of injury arising from "wrongful employment practices" paid for any one "claim" and applicable "defense expense" associated therewith. If there should be no "damages" paid for a "claim", you are still obligated to pay the applicable deductible for any "defense expense" incurred by us in connection with that "claim".
4. The terms of this insurance apply irrespective of the application of the deductible, including those with respect to:
 - a. Our right and duty to defend any "claims" to which this insurance applies; and
 - b. Your and any involved insured's duties in the event of a "claim".
5. We may pay any part or all of the deductible to effect settlement of any "claim" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible as we may have paid for "damages" or "defense expense".
6. The application of the deductible does not reduce the applicable limits of insurance.

SECTION V – CONDITIONS

1. Bankruptcy

The bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this insurance.

2. Changes

This Coverage contains all 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 Coverage with our consent. This Coverage's terms can be amended or waived only by endorsement issued by us and made a part of this Coverage.

3. Duties in the Event of " Wrongful Employment Practices" or "Claims"

- a. You must see to it that we are notified as soon as practicable of any specific "wrongful employment practices" which you believe may result in an actual "claim". Your belief must be reasonably certain as the result of specific allegations made by a potential claimant or such potential claimant's representative, or as the result of specifically identifiable injury sustained by a potential claimant. Notices of "wrongful employment practices" should include the following detailed information:

- (1) How, when and where such "wrongful employment practices" took place;
- (2) The names and addresses of any potential claimants and witnesses; and
- (3) The nature of any injury arising out of such "wrongful employment practices".

Notice of such "wrongful employment practices" is not notice of a "claim", but preserves any insured's rights to future coverage for subsequent "claims" arising out of such "wrongful employment practices" as described in the Basic Extended Reporting Period of **SECTION VI – EXTENDED REPORTING PERIODS**.

- b. If a "claim" is received by any insured:

- (1) You must immediately record the specifics of the "claim" and the date received;
- (2) You and any other involved insured must see to it that we receive written notice of the "claim", as soon as practicable, but in any event we must receive notice either:
 - (a) During the policy period or within thirty (30) days thereafter; or

- (b) With respect to any "claim" first made during any applicable Extended Reporting Period we provide under **SECTION VI – EXTENDED REPORTING PERIODS**, during such Extended Reporting Period.

As a condition precedent for coverage under this insurance, notice of a "claim" must include the detailed information required in paragraphs **4.a.(1), (2) and (3)** above; and

- (3) You and any other involved insured must:

- (a) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim";
- (b) Authorize us to obtain records and other information;
- (c) Cooperate with us in the investigation, settlement or defense of the "claim"; and
- (d) 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.

4. Examination of Your Books and Records

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

5. Inspections and Surveys

We have the right but are not obligated to:

- a. Make inspections and surveys at any time;
- b. Give you reports on the employment conditions we find; and
- c. Recommend procedures, guidelines and changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not undertake to perform the duty of any person or organization to provide for the health or safety of, or lawful practices towards your workers or the public. We do not warrant that conditions:

- (i) Are safe or healthful; or
- (ii) Comply with laws, regulations, codes or standards as they relate to the purpose of this or any other insurance.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization, which makes insurance inspections, surveys, reports or recommendations on our behalf.

6. Legal Action Against Us

No person or organization has a right under this Coverage:

- a. To join us as a party or otherwise bring us into a "claim" seeking "damages" from any insured; or
- b. To sue us on this Coverage unless all of its terms have been fully complied with.

Any person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial, but we will not be liable for "damages" that are not payable under the terms of this Coverage or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

7. Other Insurance

If other valid and collectible insurance is available to the insured for "damages" or "defense expense" we cover under this Coverage, our obligations are limited as follows:

- a. As this insurance is primary insurance, 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 **b.** below.
- b. If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this method, 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.

8. Allocation of Defense Costs

When insureds who are afforded coverage for a "claim" incur an amount consisting of both "damages" that are covered by this insurance and also damages that are not covered by this insurance, then the insureds and us agree to use our best efforts to agree upon a fair and reasonable allocation between "defense expenses" for such covered matters and defense expenses for such uncovered matters.

9. Payment of Premiums and Deductibles Amounts

- a. We will compute all premiums for this insurance in accordance with our rules and rates; and
- b. The first Named Insured shown in the Declarations is responsible for the payment of all premiums and deductibles due and will be the payee for any return premiums we pay.

10. Representations

By accepting this Coverage you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this Coverage in reliance upon your representations.

11. Separation of Insureds

Except with respect to the limits of insurance, and any rights or duties specifically assigned in this Coverage 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.

12. Transfer of Rights of Recovery Against Others to Us

If the insured has rights to recover all or part of any payment we have made under this insurance, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will sue those responsible or transfer those rights to us and help us enforce them.

13. Transfer of Your Rights and Duties Under This Coverage

Your rights and duties under this Coverage may not be transferred without our written consent.

SECTION VI – EXTENDED REPORTING PERIODS

1. We will provide Extended Reporting Periods, as described below, if:
 - a. This Coverage is cancelled or not renewed; or
 - b. We renew or replace this Coverage with insurance that:
 - (1) Has a Retroactive Date later than the date shown in the Declarations; or
 - (2) Does not apply on a claims-made basis.
2. Extended Reporting Periods do not extend the policy period or change the scope of coverage provided. They apply only to "claims" as the result of "wrongful employment practices" committed on or after the Retroactive Date, if any, shown in the Declarations and before the end of the policy period. Once in effect, Extended Reporting Periods may not be cancelled.
3. Extended Reporting Periods do not reinstate or increase the limits of insurance.
4. A Basic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the policy period and lasts for:
 - a. Five years with respect to "claims" arising out of "wrongful employment practices" which had been properly reported to us before the end of the policy period in accordance with paragraph 4.a. of **Duties in the Event of "Wrongful Employment Practices" or "Claims"** in **SECTION V – CONDITIONS**; and
 - b. Sixty-days with respect to "claims" arising from "wrongful employment practices" not previously reported to us.

The Basic Extended Reporting Period does not apply to "claims" that are covered under any subsequent insurance you purchase, or that would be covered but for exhaustion of the amount of insurance applicable to such "claims".

5. A Supplemental Extended Reporting Period of either twelve (12) or thirty-six (36) months duration is available, but only by endorsement and for an extra charge. This supplemental period starts when the Basic Extended Reporting Period set forth in paragraph 4.b. above ends. You must give us a written request for the endorsement, and its length, within 30 days after the end of the policy period. The Supplemental Extended Reporting Period will not go into effect unless you pay the additional premium when due. We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:
 - a. The exposures insured;
 - b. Previous types and amounts of insurance;
 - c. Limits of insurance available under this Coverage for future payment of "damages" or "defense expense"; and
 - d. Other related factors.

The additional premium will not exceed 200% of the annual premium for this Coverage.

6. The Supplemental Extended Reporting Period Endorsement we issue will set forth the terms, not inconsistent with this **SECTION VI – EXTENDED REPORTING PERIODS**, including a provision to the effect that the insurance afforded for "claims" first received during such period is excess over any other valid and collectible insurance available under policies in force after the Supplemental Extended Reporting Period begins.

SECTION VII – DEFINITIONS

1. **"Bodily injury"** means physical injury to the body, or sickness or disease sustained by a person as the result of direct physical injury to the body, including death resulting from any of these at any time. "Bodily injury" does not include mental anguish that results from a "wrongful employment practice".

2. **"Claim"** means written or oral notice presented by:

- a. Any "employee," "leased worker," "temporary worker," former "employee", "independent contractor", "volunteer", or applicant for employment by you;
- b. The EEOC or any other federal, state or local administrative or regulatory agency on behalf of a person described in paragraph 2.a. above, or
- c. Any client, customer or vendor of yours,

alleging that the insured is responsible for "non-monetary compensation" or "damages" as a result of injury arising out of any "wrongful employment practices".

"Claim" includes any civil proceeding in which either "damages" are alleged or fact finding will take place, when either is the result of any "wrongful employment practice" to which this insurance applies. This includes:

- (i) An arbitration proceeding in which such "damages" are claimed and to which the insured submits with our consent;
- (ii) Any other alternative dispute resolution proceeding in which such "damages" are claimed and to which the insured submits with our consent; or
- (iii) Any administrative proceedings as established under federal, state or local laws applicable to any "wrongful employment practices" covered under this insurance.

3. **"Coverage territory"** means anywhere in the world with the exception of any country or jurisdiction which is subject to trade or other economic sanction or embargo by the United States of America, provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the United States of America (including its territories and possessions) or Puerto Rico, or in a settlement that we agree to.

4. **"Damages"** means monetary amounts to which this insurance applies and which the insured is legally obligated to pay as judgments or awards, or as settlements to which we have agreed in writing.

"Damages" include:

- a. Pre-judgment interest awarded against the insured on that part of the judgment we pay;
- b. Any portion of a judgment or award, to the extent allowed by law, that represents a multiple of the compensatory amounts, punitive or exemplary damages; and
- c. Statutory attorney fees.

"Damages" do not include:

- (1) Civil, criminal, administrative or other fines or penalties;
- (2) "Non-monetary compensation";
- (3) Liquidated Damages;
- (4) Payroll or other taxes;
- (5) That part of any "damages" awarded for the cost or replacement of any benefits due or alleged to be due to any current or former "employee", or any other claimant; including, but not limited to medical benefits, pension benefits, disability benefits, or stock benefits; or
- (6) Judgments or awards conferred upon you because of acts deemed uninsurable by law.

5. **"Defense expense"** means payments allocated to a specific "claim" for its investigation, settlement, or defense, including:
- a. Reasonable and necessary attorney fees and all other litigation expenses.
 - b. The cost of bonds to appeal a judgment or award in any "claim" we defend. We do not have to furnish these bonds.
 - c. The cost of bonds to release attachments, but only for bond amounts within the amount of insurance available. We do not have to furnish these bonds.
 - d. Reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of any "claim", 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 "claim". However, these payments do not include attorney's fees or attorney's expenses taxed against the insured.

"Defense expense" does not include salaries and expenses of our employees or your "employees", other than:

- (1) That portion of our employed attorneys' fees, salaries and expenses allocated to a specific "claim" for the defense of the insured; or
 - (2) The expenses described in paragraph d. above.
6. **"Discrimination"** means violations of a person's civil rights or disparate treatment of a person with respect to such person's race, color, creed, national origin, religion, gender, marital status, age, sexual orientation or preference, physical or mental condition, medical condition, pregnancy or any other protected class or characteristics established by any federal, state or local laws, statutes, rules or regulations.
7. **"Employee"** means:
- a. A person employed by you for wages or salary;
 - b. A part time or seasonal employee;
 - c. An intern; or
 - d. A person who is a current or former member of your board of directors.
- However, "employee" does not include any:
- (1) "Independent contractors";
 - (2) Employees of any "independent contractors";
 - (3) "Leased worker"; or
 - (4) "Temporary worker".
8. **"Harassment"** means unwelcome sexual or non-sexual advances, requests for sexual or non-sexual favors or other verbal, visual or physical conduct of a sexual or non-sexual nature that **(i)** creates an intimidating, hostile or offensive working environment, or a work environment that interferes with performance; **(ii)** is made a condition of employment, either implicitly or explicitly; **(iii)** is used as a basis for employment decisions or **(iv)** is in violation of any federal, state or local laws, statutes, rules or regulations.
9. **"Independent contractor"** means a person with whom you contract to perform work for you, but only while that person is performing work under his or her written contract with you and operating within the scope of his or her employment. Employees of "independent contractors" are considered "independent contractors" while acting within the scope of their employment. An "independent contractor" is not considered an "employee".
10. **"Interrelated"** means having as a common nexus any fact, circumstance, situation, event, transaction, cause or series of related facts, circumstances, situations, events, transactions or causes.

11. **"Leased worker"** means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
12. **"Non-monetary compensation"** means equitable relief, injunctive relief, declarative relief or any other relief or recovery other than money.
13. **"Subsidiary"** means any for-profit organization which is more than fifty percent (50%) owned by the Named Insured.
14. **"Suit"** means a civil proceeding in which "damages" to which this insurance applies are alleged. "Suit" includes:
- a. An arbitration proceeding in which such damages are claimed and to which the insurance 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.
15. **"Temporary worker"** means a person who is furnished to you to substitute for a permanent "employee" on leave.
16. **"Volunteer"** means a person who is not your "employee", who donates his or her work and acts at the direction of and within the scope of duties determined by you, and who is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.
17. **"Whistleblower law"** means a statute, rule or regulation, which protects an employee against discrimination from his or her employer if the employee discloses or threatens to disclose to a superior or any governmental agency, or gives testimony relating to, any action with respect to the employer's operations which may be a violation of public policy as reflected in legislation, administrative rules, regulations or decisions, judicial decisions, or professional codes of ethics.
18. **"Wrongful Employment Practices"** means any of the following actual or alleged acts by the insured that are directed against any of your "employees", "leased workers", "temporary workers", former "employees", "independent contractors", "volunteers" or applicants for employment by you:
- a. Wrongful refusal to employ a qualified applicant for employment;
 - b. Wrongful failure to promote;
 - c. Wrongful deprivation of career opportunity;
 - d. Wrongful demotion, evaluation, reassignment or discipline;
 - e. Wrongful termination of employment, including constructive discharge;
 - f. Employment related misrepresentation;
 - g. "Harassment";
 - h. "Discrimination";
 - i. Retaliation or allegations of violations of "whistleblower law"; or
 - j. Oral or written publication of material that:
 - (1) Slanders;
 - (2) Defames or libels; or
 - (3) Violates or invades a right of privacy.
- "Wrongful employment practices" also means any of the following actual or alleged acts by the insured that are directed against any of your clients, customers or vendors:
- a. "Harassment"; or
 - b. "Discrimination".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ILLINOIS CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
FARM COVERAGE PART

A. The **Cancellation** Common Policy Condition is replaced by the following:

CANCELLATION

1. The first Named Insured shown in the Declarations may cancel this policy by mailing to us advance written notice of cancellation.
2. If this policy has been in effect for 60 days or less, except as provided in Paragraphs **8.** and **9.** below, we may cancel this policy by mailing written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. If this policy has been in effect for more than 60 days, except as provided in Paragraphs **8.** and **9.** below, we may cancel this policy only for one or more of the following reasons:
 - a. Nonpayment of premium;
 - b. The policy was obtained through a material misrepresentation;
 - c. You have violated any of the terms and conditions of the policy;
 - d. The risk originally accepted has measurably increased;
 - e. Certification to the Director of Insurance of the loss of reinsurance by the insurer which provided coverage to us for all or a substantial part of the underlying risk insured; or
 - f. A determination by the Director that the continuation of the policy could place us in violation of the insurance laws of this State.

If we cancel this policy based on one or more of the above reasons except for nonpayment of premium, we will mail written notice at least 60 days before the effective date of cancellation. When cancellation is for nonpayment of premium, we will mail written notice at least 10 days before the effective date of cancellation.

4. We will mail our notice to you, any mortgagee or lienholder known to us and to the agent or broker.
5. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
6. 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.
7. Our notice of cancellation will state the reason for cancellation.
8. **Real Property Other Than Residential Properties Occupied By 4 Families Or Less**

The following applies only if this policy covers real property other than residential property occupied by 4 families or less:

If any one or more of the following conditions exists at any building that is Covered Property in this policy, we may cancel this policy by mailing to you written notice of cancellation, by both certified and regular mail, if:

- a. After a fire loss, permanent repairs to the building have not started within 60 days of satisfactory adjustment of loss, unless the delay is due to a labor dispute or weather conditions.

- b. The building has been unoccupied 60 or more consecutive days. This does not apply to:
 - (1) Seasonal unoccupancy; or
 - (2) Buildings under repair, construction or reconstruction, if properly secured against unauthorized entry.
- c. The building has:
 - (1) An outstanding order to vacate;
 - (2) An outstanding demolition order; or
 - (3) Been declared unsafe in accordance with the law.
- d. Heat, water, sewer service or public lighting have not been connected to the building for 30 consecutive days or more.

The policy will terminate 10 days following receipt of the written notice by the named insured(s).

9. Residential Properties Occupied By 4 Families Or Less

The following applies if this policy covers residential properties occupied by 4 families or less:

If this policy has been in effect for 60 days, or if this is a renewal policy, we may only cancel this policy for one or more of the following reasons:

- a. Nonpayment of premium;
- b. The policy was obtained by misrepresentation or fraud; or
- c. Any act that measurably increases the risk originally accepted.

If we cancel this policy based on one or more of the above reasons except for nonpayment of premium, we will mail written notice at least 30 days before the effective date of cancellation. When cancellation is for nonpayment of premium, we will mail written notice at least 10 days before the effective date of cancellation.

- 10. For insurance provided under the Commercial Property Coverage Part and the Capital Assets Program (Output Policy) Coverage Part, the following applies:

GRAIN IN PUBLIC GRAIN WAREHOUSES

(Not applicable to grain owned by the Commodity Credit Corporation)

The following applies only with respect to grain in public grain warehouses:

The first Named Insured or we may cancel this policy at any time by mailing to:

- a. The other; and

- b. The Director of the Illinois Department of Agriculture (at its Springfield Office);
60 days' written notice of cancellation.

- B. The following is added:

NONRENEWAL

- 1. If we decide not to renew or continue this policy, we will mail you, your agent or broker and any mortgagee or lienholder known to us written notice, stating the reason for nonrenewal, at least 60 days before the end of the policy period. If we offer to renew or continue and you do not accept, this policy will terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.

If we fail to mail proper written notice of nonrenewal and you obtain other insurance, this policy will end on the effective date of that insurance.

- 2. The following provision applies only if this policy covers residential properties occupied by 4 families or less:

- a. If this policy has been issued to you and in effect with us for 5 or more years, we may not fail to renew this policy unless:

- (1) The policy was obtained by misrepresentation or fraud;
- (2) The risk originally accepted has measurably increased; or
- (3) You received 60 days' notice of our intent not to renew as provided in 1. above.

- b. If this policy has been issued to you and in effect with us for less than 5 years, we may not fail to renew this policy unless you received 30 days' notice as provided in 1. above.

- C. The following is added:

MAILING OF NOTICES

We will mail cancellation and nonrenewal notices to the last addresses known to us. Proof of mailing will be sufficient proof of notice.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - BIOMETRIC IDENTIFIERS

This endorsement modifies insurance provided under your policy.

The following exclusion is added:

This insurance does not apply to:

- A.** "Bodily injury", "property damage" or "personal and advertising injury" arising directly or indirectly out of:
1. Any actual or alleged act or omission by any insured, or any other person, that violates or is alleged to violate a "biometric identifiers" related requirement under any federal, state, local or foreign statute, ordinance or regulation; or
 2. Any other allegation against any insured, including but not limited to, any common or civil law allegations, involving "biometric identifiers".
- B.** Paragraph **A.** above applies:
1. To acts, omissions, or allegations including, but not limited to, those involving the access to or collection, capture, purchase, receipt through trade, safeguarding, handling, storage, retention, disclosure, printing, publication, redisclosure, dissemination, destruction, disposal, transmittal,
 2. Even if:
 - a) 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", or the offense which caused the "personal and advertising injury", involves an act, omission or allegation described in paragraph **A.** above; or
 - b) Damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out an act, omission or allegation described in paragraph **A.** above.
- C.** The following definition is added:
"Biometric Identifiers"
1. Means an individual's physiological, biological, or behavioral characteristics, including an individual's deoxyribonucleic acid (DNA), that can be used, singly or in combination with each other or with other identifying data, to establish individual identity.
 2. Paragraph **1.** above includes, but is not limited to:
 - a) A retina or iris scan, fingerprint, voiceprint, or scan or image of the hand, palm, vein patterns or face geometry, voice recordings, keystroke patterns or rhythms, gait patterns or rhythms, sleep, health or exercise characteristics;
 - b) Any biometric identifiers set forth in any federal, state, local or foreign statute, ordinance or regulation including, but not limited to, the following and amendments thereto:
 - i. The Illinois Biometric Information Privacy Act (740 ILCS 14/);
 - ii. The New York Cybersecurity Regulation (23 NYCRR Part 500);
 - iii. The California Consumer Privacy Act of 2018;
 - iv. The California Privacy Rights Act of 2020;
 - v. The European Union General Data Protection Regulation (Regulation (EU) 2016/679 – GDPR); or
 - vi. Any other federal, state, local or foreign law, statute, ordinance or regulation, addressing, in any manner or degree whatsoever, biometric Identifiers.

- c) Any biometric identifiers addressed in any common or civil law of any federal, state, local or foreign jurisdiction; and
- d) Any biometric information or data whatsoever, regardless of how it is captured, converted, stored, or shared, which is based, in whole or in part, on any individuals' biometric identifiers as described in paragraph 1 and 2. a. through 2. c. above.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES

This endorsement modifies insurance provided under the following:

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

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

due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.
 - 2.** Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph **A.1.** of this endorsement.
- B.** If an excluded Cause of Loss as described in Paragraph **A.** of this endorsement results:
- 1.** In a Covered Cause of Loss under the Crime and Fidelity Coverage Part, the Commercial Inland Marine Coverage Part or the Standard Property Policy; or
 - 2.** Under the Commercial Property Coverage Part:
 - a.** In a "Specified Cause of Loss", or in elevator collision resulting from mechanical breakdown, under the Causes of Loss – Special Form; or
 - b.** In a Covered Cause of Loss under the Causes Of Loss – Basic Form or the Causes Of Loss – Broad Form;

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CYBER LIABILITY INSURANCE ENDORSEMENT

IMPORTANT NOTICE

In consideration of the premium charged and notwithstanding anything contained in your Policy to the contrary, it is understood and agreed that the Policy to which this Endorsement attaches is amended to include Cyber Liability insurance. Coverages A-D provide claims-made and reported coverage. Coverages E-H provide first party coverage on an event-discovered and reported basis.

*The Cyber Liability limits of insurance are specified in the **CYBER LIABILITY COVERAGE** section of the Policy Declarations. Such limits of insurance are in addition to, and will not erode, the limits of insurance provided elsewhere in the Policy. "Defense costs" paid under this Endorsement will reduce, and may completely exhaust, the Cyber Liability limits of insurance.*

The terms, conditions, exclusions, and limits of insurance set forth in this Endorsement apply only to Cyber Liability insurance. Read the entire Endorsement carefully to determine "your" rights and duties and what is and is not covered.

*Throughout this Endorsement, the words "we", "us", and "our" refer to the Company providing this insurance. Other words and phrases that appear in bold face type have special meaning as described in **SECTION IV – CYBER LIABILITY DEFINITIONS** of this Endorsement. To the extent any words or phrases used in this Endorsement are also defined elsewhere in the Policy, such definitions do not apply to the words or phrases used in this Endorsement.*

CYBER LIABILITY TERMS AND CONDITIONS

SECTION I - CYBER LIABILITY COVERAGES

The Company agrees with the "Named Insured" to provide coverage as follows:

COVERAGE A -- MULTIMEDIA LIABILITY

The Company will pay on behalf of an "Insured" the sums within the applicable Limits of Liability that such "Insured" becomes legally obligated to pay as "damages", including liability "assumed under contract", and related "defense costs" resulting from a "claim" for an actual or alleged "multimedia wrongful act", but only if:

- 1) the "claim" is first made against the "Insured" during the "policy period";
- 2) the "claim" is reported to the Company in writing in accordance with **SECTION V – NOTICE PROVISIONS** of this Endorsement; and
- 3) the "multimedia wrongful act" takes place on or after the "retroactive date".

COVERAGE B -- SECURITY AND PRIVACY LIABILITY

The Company will pay on behalf of an "Insured" the sums within the applicable Limits of Liability that such "Insured" becomes legally obligated to pay as "damages", including liability "assumed under contract", and related "defense costs" resulting from a "claim" for an actual or alleged "security and privacy wrongful act", but only if:

- 1) the “claim” is first made against the “Insured” during the “policy period”;
- 2) the “claim” is reported to the Company in writing in accordance with **SECTION V – NOTICE PROVISIONS** of this Endorsement; and
- 3) the “security and privacy wrongful act” takes place on or after the “retroactive date”.

COVERAGE C -- PRIVACY REGULATORY DEFENSE AND PENALTIES

The Company will pay on behalf of an “Insured” the sums within the applicable Limits of Liability that such “Insured” becomes legally obligated to pay as a “regulatory compensatory award” or “regulatory fines and penalties” (to the extent insurable by law) and related “defense costs” resulting from a “privacy regulatory proceeding” instituted against the “Insured” because of a “security breach” or “privacy breach”, but only if:

- 1) the “privacy regulatory proceeding” is instituted against the “Insured” during the “policy period”;
- 2) the “privacy regulatory proceeding” is reported to the Company in writing in accordance with **SECTION V – NOTICE PROVISIONS** of this Endorsement; and
- 3) the “security breach” or “privacy breach” occurs on or after the “retroactive date”.

COVERAGE D -- PCI DSS LIABILITY

The Company will pay on behalf of an “Insured” the sums within the applicable Limits of Liability that such “Insured” becomes legally obligated to pay as “PCI DSS fines and assessments” and related “defense costs” because of a “claim” resulting from a “security breach” or “privacy breach”, but only if:

- 1) the “claim” is first made against the “Insured” during the “policy period”;
- 2) the “claim” is reported to the Company in writing in accordance with **SECTION V – NOTICE PROVISIONS** of this Endorsement; and
- 3) the “security breach” or “privacy breach” takes place on or after the “retroactive date”.

COVERAGE E -- BREACH EVENT COSTS

Subject to the Limits of Liability, the Company will pay on “your” behalf the “privacy breach response costs”, “notification expenses”, and “breach support and credit monitoring expenses” that “you” incur because of an “adverse media report”, “security breach” or “privacy breach”, but only if:

- 1) the “adverse media report”, “security breach” or “privacy breach” occurs on or after the “retroactive date”;
- 2) the “adverse media report”, “security breach” or “privacy breach” is first discovered by “you” or “your” “executive” during the “policy period”; and
- 3) the “adverse media report”, “security breach” or “privacy breach” is reported to the Company in writing in accordance with **SECTION V – NOTICE PROVISIONS** of this Endorsement.

COVERAGE F -- BRANDGUARD®

Subject to the “waiting period” and Limits of Liability, the Company will indemnify “you” for provable and ascertainable “brand loss” that “you” sustain during the “period of indemnity” as a direct result of an “adverse media report” or “notification”, but only if:

- 1) the “adverse media report” is first discovered by “you” or “your” “executive”, or the “notification” first occurs, during the “policy period”;
- 2) the “adverse media report” or “notification” results from a “security breach” or “privacy breach” that occurs on or after the “retroactive date”;
- 3) the “brand loss” is reported to the Company in writing during the “period of indemnity”; and
- 4) “you” provide clear evidence that the “brand loss” is directly attributable to the “adverse media report” or “notification”.

COVERAGE G. NETWORK ASSET PROTECTION

1. Data Recovery

Subject to the Limits of Liability, the Company will indemnify “you” for “digital assets loss” and “special expenses” that “you” incur because of damage, alteration, corruption, distortion, theft, misuse, or destruction of “digital assets” which results from a “covered cause of loss”, but only if:

- 1) the “covered cause of loss” occurs on or after the “retroactive date”;
- 2) the “covered cause of loss” is first discovered by “you” or “your” “executive” during the “policy period”; and
- 3) the “covered cause of loss” is reported to the Company in writing in accordance with **SECTION V – NOTICE PROVISIONS** of this Endorsement.

“Digital assets loss” and “special expenses” will be reimbursed for a period of up to twelve (12) months following the discovery of the damage, alteration, corruption, distortion, theft, misuse, or destruction of “digital assets”.

2. Non-Physical Business Interruption and Extra Expense

Subject to the “waiting period” and Limits of Liability, the Company will indemnify “you” for “income loss”, “interruption expenses”, and “special expenses” that “you” incur during the “period of restoration” because of a total or partial interruption, degradation in service, or failure of an “insured computer system” which results from a “covered cause of loss”, but only if:

- 1) the “covered cause of loss” occurs on or after the “retroactive date”;
- 2) the “covered cause of loss” is first discovered by “you” or “your” “executive” during the “policy period”; and
- 3) the “covered cause of loss” is reported to the Company in writing in accordance with **SECTION V – NOTICE PROVISIONS** of this Endorsement.

COVERAGE H. CYBER EXTORTION

Subject to the Limits of Liability, the Company will indemnify “you” for “cyber extortion expenses” and “cyber extortion monies” that “you” pay as a direct result of a “cyber extortion threat”, but only if:

- 1) the “cyber extortion threat” is made against “you” during the “policy period”; and
- 2) the “cyber extortion threat” is reported to the Company in writing in accordance with **SECTION V – NOTICE PROVISIONS** of this Endorsement.

The Company will not be obligated to pay “cyber extortion expenses” or “cyber extortion monies” unless the Company has given prior written consent for the payment of “cyber extortion monies” in response to a “cyber extortion threat”. The “Insured” must make every reasonable effort to notify local law enforcement authorities and the Federal Bureau of Investigation or similar equivalent foreign agency before surrendering any “cyber extortion monies” in response to a “cyber extortion threat”.

SECTION II. CYBER LIABILITY DEFENSE AND SETTLEMENT PROVISIONS

The following defense and settlement provisions will apply only to the coverage provided under this Endorsement and will supersede any other defense and settlement provisions contained elsewhere in the Policy.

1. We have the right and duty to defend an “Insured” against any “claim” covered under Coverage A, Coverage B, Coverage C, or Coverage D, even if the allegations are groundless, false or fraudulent. We have the right to appoint an attorney to defend any such “claim”.

However, the Company will have no duty to defend any “Insured” against any “claim” seeking amounts or relief to which this insurance does not apply.

2. The Limits of Liability available to pay “damages” will be reduced, and may be completely exhausted, by payment of “defense costs” or any other amounts covered under this Endorsement.
3. The “Insured” shall not pay any “damages”, “defense costs”, or other amounts covered under this Endorsement, or settle or offer to settle any “claim”, assume any contractual obligation, admit liability, voluntarily make any payment, or confess or otherwise consent to any “damages” or judgments without our prior written consent, which consent will not be unreasonably withheld. We will not be liable for any “damages”, “defense costs”, settlement, judgment, assumed obligation, admitted liability, voluntary payment or confessed “damages” to which we have not consented.
4. We have the right to make any investigation we deem necessary, including, without limitation, any investigation with respect to coverage.
5. With respect to Coverage A, Coverage B, Coverage C, and Coverage D only, we will not settle any “claim” or pay any “damages”, “regulatory compensatory award”, “regulatory fines and penalties”, or “PCI DSS fines and assessments”, whichever applies, without the “Insured’s” consent. If an “Insured” refuses to consent to any settlement or compromise recommended by us or our representatives that is acceptable to the claimant, and the “Insured” elects to contest the “claim” or continue any legal proceedings in connection with such “claim”, then our liability for “damages”, “defense costs”, “regulatory compensatory award”, “regulatory fines

and penalties”, or “PCI DSS fines and assessments”, whichever applies, will not exceed the following amount, subject to the Limits of Liability:

- a. The amount for which the “claim” could have been settled and “defense costs” incurred as of the date the “Insured” withheld consent to such settlement, plus
 - b. Fifty percent (50%) of any “damages”, “defense costs”, “regulatory compensatory award”, “regulatory fines and penalties” or “PCI DSS fines and assessments” incurred after the date the “Insured” withheld consent to such settlement or compromise. The remaining fifty percent (50%) of such “damages”, “defense costs”, “regulatory compensatory award”,
 - c. “regulatory fines and penalties”, or “PCI DSS fines and assessments”, whichever applies, and any amounts that exceed the applicable Limit of Liability, will be borne by the “Insured” at the “Insured’s” own risk and will be uninsured under this Endorsement.
6. We have no duty to pay any “damages”, “defense costs”, or other amounts covered under this Endorsement, or to undertake or continue the defense of any “claim”, after the Limit of Liability is exhausted. Once the Limit of Liability is exhausted, the Company has the right to withdraw from the further defense or payment of any “claim” by transferring control of said “claim” to the “Insured” in accordance with **SECTION X – TRANSFER OF DUTIES WHEN THE LIMITS OF INSURANCE ARE EXHAUSTED** of this Endorsement.

SECTION III – CYBER LIABILITY LIMITS OF LIABILITY

1. The Limits of Liability set forth in the **CYBER LIABILITY COVERAGES** section of the Policy Declarations represent the most we will pay under each Coverage for each “claim” first made during the “policy period” and in the aggregate for all “claims” first made during the “policy period”, including “defense costs” where applicable, regardless of the number of “claim”, claimants or “Insureds”. If the Limit of Liability for any Coverage is exhausted, our obligations under that Coverage will be deemed completely fulfilled and extinguished.
2. The Maximum Aggregate Limit of Liability set forth in **CYBER LIABILITY COVERAGES** section of the Policy Declarations is the most we will pay under

this Endorsement for all “claims” first made during the “policy period”, including “defense costs” where applicable, regardless of the number of “claims”, claimants or “Insureds”, or the number of Coverages that apply. All amounts we pay under this Endorsement will reduce, and may completely exhaust, the Maximum Aggregate Limit of Liability.

3. All “claims” which arise out of the same, related, or continuing incidents, acts, facts or circumstances will be considered a single “claim”, regardless of the number of “claims” made, “Insureds” affected, or claimants involved. Only one Limit of Liability will apply to such “claim”. All “claims” which arise out of the same, related, or continuing incidents, acts, facts or circumstances will be deemed first made on the date the earliest of such “claims” is first made and will be deemed first reported to us on the date the earliest of such “claim” is reported to us.
4. If a “claim” is covered under more than one Coverage of this Endorsement, we will allocate payments to that portion of the “claim” covered under each applicable Coverage; provided, however, that a) we will never pay more under any one Coverage than the Limit of Liability shown in the **CYBER LIABILITY COVERAGES** section of the Policy Declarations for that Coverage; and b) our total aggregate Limit of Liability for such “claim” will not exceed the single largest Limit of Liability that applies. The Company has the sole discretion to allocate “claims” paid, if any, against the appropriate Limit of Liability.
5. The existence of a “cyber liability extended reporting period” will not increase or reinstate the Limits of Liability set forth in the **CYBER LIABILITY COVERAGES** section of the Policy Declarations.

SECTION IV – CYBER LIABILITY DEFINITIONS

Certain words used in this Endorsement are shown in bold and are defined as follows. If a term is defined below and in the Policy, the definition below applies only to the coverage provided by this Endorsement.

1. “Act of cyber terrorism” means the premeditated use of information technology to organize and execute attacks, or the threat thereof, against computers, “computer systems”, networks or the “internet” by any person or group, whether acting alone or on behalf of, or in connection with, any organization or government, which is committed for political, religious, or ideological purposes, with

the intention to influence any government, put the public in fear, or cause destruction or harm to critical infrastructure or “data”.

2. “Acquiring bank” means a bank or financial institution that accepts credit or debit card payments (including stored value cards and prepaid cards) for products or services on behalf of a merchant, including processing and crediting those payments to a merchant’s account.
3. “Adverse media report” means a report or communication of an actual or potential “security breach” or “privacy breach” which has been publicized through any media channel, including, but not limited to, television, “print media”, radio or electronic networks, the “internet”, or electronic mail, and threatens material damage to “your reputation” or brand.
4. “Assumed under contract” means liability for “damages” resulting from a “multimedia wrongful act”, “security breach”, or “privacy breach”, where such liability has been assumed by an “Insured” in the form of a written hold harmless or indemnity agreement, but only if such agreement was executed before the “multimedia wrongful act”, “security breach” or “privacy breach” occurred.
5. “Bodily injury” means physical injury, sickness, disease, or death sustained by any person and, where resulting from such physical injury only, mental anguish, mental injury, shock, humiliation, or emotional distress.
6. “BPO service provider” means any independent contractor that provides business process outsourcing services for “your” benefit under a written contract with “you”, including, but not limited to, call center services, fulfillment services, and logistical support.
7. “Brand loss” means “your” net profit, as could have reasonably been projected immediately prior to “notification”, or in the event of an “adverse media report”, immediately prior to the publication of an “adverse media report”, but which has been lost during the “period of indemnity” as a direct result of such “adverse media report” or “notification”. “Brand loss” will be determined in accordance with the provisions of **SECTION IX – LOSS DETERMINATION** of this Endorsement.
8. “Breach support and credit monitoring expenses” means those reasonable and necessary expenses that “you” incur on “your” own behalf, or on behalf of a party for whom “you” are “vicariously liable”, to provide support activity to affected individuals in the event of a “privacy breach”. “Breach support and credit monitoring expenses” includes the cost to set up a call center and to provide a maximum of 12 months of credit monitoring services, identity theft assistance services, or credit repair and restoration services. “Breach support and credit monitoring expenses” must be incurred with the Company’s prior written consent.
9. “Card association” means Visa International, MasterCard, Discover, JCB, American Express and any similar credit or debit card association that is a participating organization of the Payment Card Industry Security Standards Council.
10. “Claim” means:
 - a. With respect to Coverage A and Coverage B only:
 - 1) A written demand made against an “Insured” for “damages” or non-monetary relief;
 - 2) A written request received by an “Insured” to toll or waive a statute of limitations relating to a potential “claim” against an “Insured”; or
 - 3) The service of a civil lawsuit or the institution of arbitration or other alternative dispute resolution proceedings against an “Insured” seeking “damages”, a temporary restraining order, or a preliminary or permanent injunction.
A “claim” under Coverage A or Coverage B does not include a “PCI DSS demand”.
 - b. With respect to Coverage C only, a “privacy regulatory proceeding”. A “claim” under Coverage C does not include a “PCI DSS demand”.
 - c. With respect to Coverage D only, a “PCI DSS demand”.
 - d. With respect to Coverage E only, “your” written notice to the Company of an “adverse media report”, “security breach” or “privacy breach”.
 - e. With respect to Coverage F only, “your” written notice to the Company of an “adverse media report” or “notification” that has resulted or may result in “brand loss”.

- f. With respect to Coverage G only, “your” written notice to the Company of a “covered cause of loss”.
- g. With respect to Coverage H only, “your” written notice to the Company of a “cyber extortion threat”.

A “claim” under Coverage A, Coverage B, Coverage C or Coverage D will be deemed to be first made when it is received by an “Insured”. A “claim” under Coverage E, Coverage F, Coverage G, or Coverage H will be deemed to be first made when “your” written notice of the event or incident giving rise to the “claim” is received by the Company.

- 11. “Computer hardware” means the physical components of any “computer system”, including CPUs, memory, storage devices, storage media, and input/output devices and other peripheral devices and components, including, but not limited to, cables, connectors, fiber optics, wires, power supply units, keyboards, display monitors and audio speakers.
- 12. “Computer program” means an organized set of instructions that, when executed, causes a computer to behave in a predetermined manner. A “computer program” includes, but is not limited to, the communications, networking, operating systems and related processes used to create, maintain, process, retrieve, store, or transmit “data”.
- 13. “Computer system” means an interconnected electronic, wireless, web, or similar system (including all “computer hardware” and software) used to process and store “data” or information in an analogue, digital, electronic or wireless format, including, but not limited to, “computer programs”, “data”, operating systems, “firmware”, servers, media libraries, associated input and output devices, mobile devices, networking equipment, websites, extranets, off-line storage facilities (to the extent that they hold “data”), and electronic backup equipment.
- 14. “Computer virus” means a program that possesses the ability to create replicas of itself (commonly known as an “auto-reproduction” program) within other programs or operating system areas, or which can spread copies of itself wholly or partly to other “computer systems”.

- 15. “Covered cause of loss” means and is limited to the following:

- a. Accidental Damage or Destruction

- 1) Accidental physical damage to, or destruction of, “electronic media” so that stored “digital assets” are no longer machine-readable;
- 2) Accidental damage to, or destruction of, “computer hardware” so that stored “data” is no longer machine-readable;
- 3) Failure in power supply or under/over voltage, but only if such power supply, including back-up generators, is under “your” direct operational control;
- 4) “Programming error” of “delivered programs”; or
- 5) Electrostatic build-up and static electricity.

- b. Administrative or Operational Mistakes

An accidental, unintentional, or negligent act, error or omission by an “insured”, a “BPO service provider” or an “outsourced IT service provider” in:

- 1) The entry or modification of “data” on an “insured computer system”, which causes damage to such “data”;
- 2) The creation, handling, development, modification, or maintenance of “digital assets”; or
- 3) The ongoing operation or maintenance of an “insured computer system”, excluding the design, architecture, or configuration of an “insured computer system”.

- c. Computer Crime and Computer Attacks

An unintentional or negligent act, error or omission by an “insured”, a “BPO service provider”, or an “outsourced IT service provider” in the operation of an “insured computer system” or in the handling of “digital assets”, which fails to prevent or hinder any of the following attacks on an “insured computer system”:

- 1) A “denial of service attack”;
- 2) “Malicious code”;
- 3) “Unauthorized access”;
- 4) “Unauthorized use”; or
- 5) An “act of cyber terrorism”.

16. "Cyber extortion expenses" means all reasonable and necessary costs and expenses, other than "cyber extortion monies", that "you" incur with the Company's prior written consent as a direct result of a "cyber extortion threat".
17. "Cyber extortion monies" means any "money" or "other property" "you" pay, with the Company's prior written consent, to a person(s) or entity(ies) reasonably believed to be responsible for a "cyber extortion threat", to terminate such "cyber extortion threat".
18. "Cyber extortion threat" means a credible threat or series of related credible threats, including a demand for "cyber extortion monies", which is directed at "you" to:
- Release, divulge, disseminate, destroy or use "private information" taken from an "Insured" as a result of "unauthorized access" to, or "unauthorized use" of, an "insured computer system";
 - Introduce "malicious code" into an "insured computer system";
 - Corrupt, damage or destroy an "insured computer system";
 - Restrict or hinder access to an "insured computer system", including the threat of a "denial of service attack"; or
 - Electronically communicate with "your" customers and falsely claim to be "you", or to be acting under "your" direction, to falsely obtain "private information" (also known as "pharming", "phishing", or other types of false communications).

A series of continuing "cyber extortion threats", related or repeated "cyber extortion threats", or multiple "cyber extortion threats" resulting from the same event or incident will be considered a single "cyber extortion threat" and will be deemed to have occurred at the time the first of such "cyber extortion threats" occurred.

19. "Cyber liability extended reporting period" means the period after the end of the "policy period" for reporting "claims", as provided in **SECTION VI – CYBER LIABILITY EXTENDED REPORTING PROVISIONS** and specifically excludes the "policy period".

20. "Damages" means a monetary judgment, award, or settlement, including prejudgment and postjudgment interest awarded against an "Insured" on that part of any judgment paid or to be paid by the Company; and punitive, exemplary or multiplied "damages" to the extent insurable under the law pursuant to which this Endorsement is construed.

With respect to the insurability of punitive, exemplary or multiplied "damages", the applicable law will be the law of the state most favorable to the "Insured", provided that the state whose law is most favorable to the "Insured" has a reasonable relationship to the "claim".

A state's law will be deemed to have a reasonable relationship to the "claim" if it is the state where:

- The "Named Insured" is incorporated or has a place of business;
- The "claim" is pending; or
- Any "multimedia wrongful act" or "security and privacy wrongful act" (whichever applies) was committed or allegedly committed by an "Insured".

"Damages" does not include:

- Any "Insured's" future profits or royalties, restitution, or disgorgement of any "Insured's" profits;
- The costs to comply with orders granting injunctive or non-monetary relief, including specific performance, or any agreement to provide such relief;
- Loss of any "Insured's" fees or profits, the return or offset of any "Insured's" fees or charges, or any "Insured's" commissions or royalties provided or contracted to be provided;
- Taxes, fines or penalties, or sanctions;
- Contractual liquidated "damages", to the extent such "damages" exceed the amount for which the "Insured" would have been liable in the absence of the liquidated "damages" agreement;
- Any amount which an "Insured" is not financially or legally obligated to pay;
- Disgorgement of any remuneration or financial advantage to which an "Insured" was not legally entitled;
- Settlements negotiated without the Company's consent;
- Monetary judgments, awards, settlements or any other amounts which are uninsurable under the law pursuant to which this

Endorsement is construed or any legal fees and costs awarded pursuant to such judgments, awards or settlements; or
j. "PCI DSS fines and assessments".

21. "Data" means any machine-readable information, including, but not limited to, ready-for-use programs, applications, account information, customer information, health and medical information, or other electronic information that is subject to back-up procedures, irrespective of the way it is used and rendered.

22. "Defense costs" means:

- a. Reasonable and necessary fees incurred with the Company's consent and charged by an attorney(s) designated by the Company to defend against a "claim" under Coverage A, Coverage B, Coverage C, or Coverage D; and
- b. All other reasonable and necessary fees, costs, and expenses resulting from the defense and appeal of a "claim" under Coverage A, Coverage B, Coverage C, or Coverage D, if incurred by the Company or by an "Insured" with our prior written consent.

"Defense costs" does not include any wages or salaries of an "Insured", or fees, overhead or other charges incurred by, or paid to, any "Insured" for any time spent in cooperating in the investigation or defense of a "claim" or a potential "claim".

23. "Delivered programs" means "computer programs" where the development stage has been finalized, having passed all test-runs and been proven successful in a live environment.

24. "Denial of service attack" means an event caused by unauthorized or unexpected interference or a malicious attack, which is intended by the perpetrator to overwhelm the capacity of a "computer system" by sending an excessive volume of "data" to such "computer system" to prevent access to such "computer system".

25. "Digital assets" means "data" and "computer programs" that exist in an "insured computer system". "Digital assets" do not include "computer hardware".

26. "Digital assets loss" means reasonable and necessary expenses and costs that "you" incur to replace, recreate or restore "digital assets" to the same state and with the same contents immediately before the "digital assets" were damaged, destroyed, altered, misused, or stolen,

including expenses for materials and machine time. "Digital assets loss" also includes amounts representing "employee" work time to replace, recreate or restore "digital assets", which will be determined on a predefined billable hour or perhour basis as based upon "your" schedule of "employee" billable hours. "Digital assets loss" will be determined in accordance with the provisions of **SECTION IX – LOSS DETERMINATION** of this Endorsement. "Digital assets loss" does not include:

- a. The cost(s) of restoring, updating, or replacing "digital assets" to a level beyond that which existed prior to a "covered cause of loss";
- b. Physical damage to the "computer hardware" or "data" center other than accidental physical damage to, or destruction of, "electronic media" so that stored "digital assets" are no longer machine-readable;
- c. Contractual penalties or consequential damages;
- d. Any liability to "third parties" for whatever reason, including, but not limited to, legal costs and expenses of any type;
- e. Fines or penalties imposed by law;
- f. The economic or market value of "digital assets";
- g. Costs or expenses incurred to identify, patch, or remediate software program errors or "computer system" vulnerabilities;
- h. Costs to upgrade, redesign, reconfigure, or maintain an "insured computer system" to a level of functionality beyond that which existed prior to the "covered cause of loss";
- i. Any loss paid or payable under Coverage G.2. of this Endorsement;
- j. The cost(s) of restoring, replacing or repairing "electronic media"; or
- k. Any loss arising out of a physical cause or natural peril, including, but not limited to, fire, wind, water, flood, subsidence, or earthquake.

27. "Electronic media" means floppy disks, CD ROMs, hard drives, magnetic tapes, magnetic discs, or any other media on which "data" is recorded or stored.

28. "Employee" means any individual whose labor or service is engaged by and directed by "you", including volunteers and part-time, seasonal, temporary or leased workers. "Employee" does not include any "executive" or independent contractor.

29. "Executive" means any of "your" directors or officers, including "your" chief executive officer, chief financial officer, chief operations officer, chief

technology officer, chief information officer, chief privacy officer, general counsel or other in-house lawyer, and risk manager.

30. “Firmware” means the fixed programs that internally control basic low-level operations in a device.

31. “First party insured event” means:

- a. With respect to Coverage E only, an “adverse media report”, “security breach” or “privacy breach”;
- b. With respect to Coverage F, a “security breach” or “privacy breach”;
- c. With respect to Coverage G, a “covered cause of loss”; and
- d. With respect to Coverage H, a “cyber extortion threat”.

“First party insured event” only pertains to loss sustained by “you” and does not include any “claim” made or brought against an “Insured”.

32. “Income loss” means the net profit loss “you” sustain during the “period of restoration” as a direct result of a “covered cause of loss”. “Income loss” will be determined in accordance with the provisions of SECTION IX – LOSS DETERMINATION of this Endorsement. “Income loss” does not include:

- a. Any loss arising out of a physical cause or natural peril, including, but not limited to, fire, wind, water, flood, subsidence, or earthquake;
- b. Any loss or expense arising out of updating or replacing “digital assets” to a level beyond that which existed prior to the “covered cause of loss”;
- c. Contractual penalties or consequential damages;
- d. Any liability to “third parties” for whatever reason, including, but not limited to, legal costs and expenses of any type;
- e. Fines or penalties imposed by law;
- f. Costs or expenses incurred to identify, patch, or remediate software program errors or “computer system” vulnerabilities;
- g. Loss of goodwill or reputational harm;
- h. Costs to upgrade, redesign, reconfigure, or maintain an “insured computer system” to a level of functionality beyond that which existed prior to the “covered cause of loss”; or
- i. Any losses paid or payable under Coverage G.1. of this Endorsement.

33. “Insured” means:

- a. The “Named Insured”;
- b. Any “Subsidiary” of the “Named Insured”, but only with respect to “wrongful acts” or “first party insured events” that occur while a “Subsidiary” is owned by the “Named Insured”;
- c. Any past, present, or future officer, director, trustee, or “employee” of the “Named Insured” or “Subsidiary”, but only while acting solely within the scope of his or her duties as such;
- d. If the “Named Insured” or “Subsidiary” is a partnership, limited liability partnership, or limited liability company, then any general or managing partner, principal, stockholder, or owner thereof, but only while acting solely within the scope of his or her duties as such;
- e. Any agent or independent contractor of the “Named Insured” or “Subsidiary”, but only while acting on behalf of, at the direction of, and under the supervision of the “Named Insured” or “Subsidiary”; and
- f. Any person or legal entity the “Named Insured” is required by written contract to provide such coverage as is afforded by this Policy, but only for the acts of a party described in paragraph a., b. or c. above, and only if the written contract is executed prior to the date any “wrongful act” or “first party insured event” occurs.

34. “Insured computer system” means a “computer system” operated by, and either owned by or leased to, “you”. With respect to Coverage B only, “insured computer system” also includes a “computer system” operated by a “BPO service provider” or an “outsourced IT service provider”, which is used to provide hosted computer application services to “you”, or for processing, maintaining, hosting, or storing “data” for “you”, pursuant to a written contract with “you” to provide such services. With respect to Coverage H only, “insured computer system” also includes a system operated by an organization providing computing resources to “you” that are delivered as a service over a network or the “internet” (commonly known as “cloud computing”), including Software as a Service, Platform as a Service and Infrastructure as a Service.

35. “Internet” means the worldwide public network of computers which enables the transmission of “data” between different users, including a private communications network existing within a shared or public network platform.

- 36.** "Interruption expenses" means those reasonable and necessary expenses, excluding "special expenses", incurred by "you" to avoid or minimize the suspension of "your" business because of a total or partial interruption, degradation in service, or failure of an "insured computer system" caused by a "covered cause of loss", which "you" would not have incurred had no "covered cause of loss" occurred. "Interruption expenses" include, but are not limited to, the use of rented/leased external equipment, substitution of other work or production procedures, use of "third party" services, or additional staff expenditures or labor costs. The amount of "interruption expenses" recoverable shall not exceed the amount by which the covered "income loss" is reduced by such incurred expenses. "Interruption expenses" does not include:
- a. Any loss arising out of a physical or natural peril, including, but not limited to, fire, wind, water, flood, subsidence, or earthquake;
 - b. Any loss expense arising out of updating or replacing "digital assets" to a level beyond that which existed prior to the "covered cause of loss";
 - c. Contractual penalties or consequential damages;
 - d. Any liability to "third parties" for whatever reason, including, but not limited to, legal costs and expenses of any type;
 - e. Fines or penalties imposed by law;
 - f. Costs or expenses incurred to identify, patch, or remediate software program errors or "computer system" vulnerabilities;
 - g. Loss of goodwill or reputational harm;
 - h. Costs to upgrade, redesign, reconfigure, or maintain an "insured computer system" to a level of functionality beyond that which existed prior to the "covered cause of loss"; or
 - i. Any losses paid or payable under Coverage G.1. of this Endorsement.
- 37.** "Malicious code" means software intentionally designed to insert itself by a variety of forms into a "computer system", without the owner's informed consent, and cause damage to the "computer system". "Malicious code" includes, but is not limited to, "computer viruses", worms, Trojan horses, spyware, dishonest adware, and crimeware.
- 38.** "Media material" means communicative material of any kind or nature for which "you" are responsible, including, but not limited to, words, pictures, sounds, images, graphics, code and "data", regardless of the method or medium of communication of such material or the purpose for which the communication is intended.
- "Media material" does not include any tangible goods or products that are manufactured, produced, processed, prepared, assembled, packaged, labeled, sold, handled or distributed by "you" or others trading under "your" name.
- 39.** "Merchant services agreement" means an agreement between "you" and an "acquiring bank", "card association", brand, network, credit or debit card processor, independent sales organization, gateway, or membership service, which enables "you" to accept payment by credit card, debit card or prepaid card.
- 40.** "Money" means a medium of exchange in current use and authorized or adopted by a domestic or foreign government, including, but not limited to, currency, coins, bank notes, bullion, travelers' checks, registered checks and money orders held for sale to the public.
- 41.** "Multimedia wrongful act" means any of the following, whether actual or alleged, but only if directly resulting from the dissemination of "media material" by an "Insured":
- a. Any form of defamation or other tort related to the disparagement or harm to the reputation or character of any person or organization, including libel, slander, product disparagement or trade libel, and infliction of emotional distress, mental anguish, outrage or outrageous conduct, if directly resulting from any of the foregoing;
 - b. Invasion, infringement or interference with an individual's right of privacy or publicity, including the torts of false light, intrusion upon seclusion, commercial misappropriation of name, person, or likeness, and public disclosure of private facts;
 - c. Plagiarism, piracy or misappropriation of ideas under an implied contract;
 - d. Infringement of copyright, trademark, trade name, trade dress, title, slogan, service mark or service name;
 - e. Domain name infringement or improper deeplinking or framing;
 - f. Negligence in "media material", including a "claim" alleging harm to any person or entity that acted or failed to act in reliance upon such "media material";
 - g. False arrest, detention or imprisonment;

- h. Trespass, wrongful entry or eviction, eavesdropping, or other invasion of the right of private occupancy; or
 - i. Unfair competition, but only when arising out of a peril described in a. through h. above.
- 42.** “Named insured” means the person or organization listed as such on the Policy Declarations to which this Endorsement attaches.
- 43.** “Notification” means written notice to affected individuals in the event of a “security breach” or “privacy breach”.
- 44.** “Notification expenses” means those reasonable and necessary legal expenses, forensic and investigation expenses, postage expenses, and related advertising expenses that “you” incur on “your” own behalf, or on behalf of a party for who “you” are “vicariously liable”, to comply with governmental privacy legislation mandating “notification” to affected individuals in the event of a “security breach” or “privacy breach”. “Notification expenses” must be incurred with the Company’s prior written consent. “Notification expenses” also includes “voluntary notification expenses”.
- 45.** “Other property” means any tangible property, other than “money” or “securities”, which has intrinsic value.
- 46.** “Outsourced IT service provider” means an independent contractor that provides information technology services for “your” benefit, under a written contract with “you” to provide such services. “Outsourced IT service provider” services include, but are not limited to, hosting, security management, co-location, and “data” storage.
- 47.** “PCI Data Security Standard” (known as “PCI DSS”) means the Payment Card Industry Security Standards Council Data Security Standard in effect now, or as hereafter amended, which all merchants and processors must follow when storing, processing and transmitting cardholder “data”.
- 48.** “PCI DSS demand” means a written demand for “PCI DSS fines and assessments” received by an “Insured” directly or indirectly from or through an “acquiring bank”, “card association”, or payment card processor due to the “Insured’s noncompliance with the “PCI Data Security Standard”.
- 49.** “PCI DSS fines and assessments” means monetary fines, penalties or assessments (including fraud recoveries, card reissuance costs, operational expenses, or compliance case costs) owed by an “Insured” under the terms of a “merchant services agreement”, but only where such monetary fines, penalties or assessments result from a “security breach” or “privacy breach”.
- 50.** “Period of indemnity” means the period beginning on the earlier of the date of “notification” or the first “adverse media report” (whichever applies), and ending on the earlier of:
- a. The date that gross revenues are restored to the level they had been prior to “notification” or the first “adverse media report” (whichever applies); or
 - b. One hundred eighty (180) consecutive days after the notice of “brand loss” is received by the Company.
- 51.** “Period of restoration” means the period beginning on the date when the interruption, degradation in service, or failure of an “insured computer system” began, and ending on the earlier of:
- a. The date when an “insured computer system” is restored or could have been repaired or restored with reasonable speed to the same condition, functionality and level of service that existed prior to the “covered cause of loss”, plus a maximum of thirty (30) additional consecutive days after the restoration of an “insured computer system” to allow for restoration of “your” business; or
 - b. One hundred twenty (120) consecutive days after the notice of “covered cause of loss” is received by the Company.
- 52.** “Personally identifiable information” means information that can be used to determine, distinguish or trace an individual’s identity, either alone or when combined with other personal or identifying information that is linked or linkable to a specific individual.
- 53.** “Policy period” means the period specified as such on the Policy Declarations. Coverage may be canceled or otherwise terminated before the “policy period” expiration date.

54. “Print media” means newspapers, newsletters, magazines, books and literary works in any form, brochures or other types of publications, and advertising materials including packaging, photographs, and digital images.

55. “Privacy breach” means any of the following:

- a.** The unauthorized collection, disclosure, use, access, destruction or modification of “private information”;
- b.** The inability to access, or failure to provide, “private information”;
- c.** Theft of “private information”;
- d.** The surrender of “private information” as a result of false communications or social engineering techniques, including but not limited to phishing, spear-phishing, and pharming;
- e.** Failure to implement, maintain, or comply with privacy policies and procedures stating “your” obligations regarding “private information”, including but not limited to “your privacy policy”;
- f.** Failure to develop or administer an identity theft prevention program;
- g.** Failure to implement specific security practices with respect to “private information” required by any “privacy regulations”;
- h.** An infringement or violation of any rights to privacy;
- i.** Breach of a person’s right of publicity, false light, intrusion upon a person’s seclusion;
- j.** Failure to comply with “privacy regulations” pertaining to the “Insured’s” responsibilities with respect to “private information”, but only relating to an act listed in paragraphs a. through h. above; or
- k.** Failure to comply with any federal, state, foreign or other law (including common law), statute or regulation prohibiting unfair or deceptive trade practices or consumer fraud pertaining to the “Insured’s” responsibilities with respect to “private information”, but only relating to an act listed in paragraphs a. through h. above.

A series of continuing “privacy breaches”, related or repeated “privacy breaches”, or multiple “privacy breaches” resulting from the same event or incident will be considered a single “privacy breach” and will be deemed to have occurred at the time the first of such “privacy breaches” occurred.

56. “Privacy breach response costs” means:

- a.** Those reasonable and necessary “public relations expenses” that “you” incur, with the Company’s prior written consent, for the employment of a public relations consultant, if such action is reasonably necessary to avert or mitigate any material damage to “your reputation” or brands, which results or reasonably could result from an “adverse media report”; and
- b.** “Proactive privacy breach response costs” incurred with the Company’s prior written consent, subject to the “proactive privacy breach response costs sublimit”.

57. “Privacy regulations” means federal, state or local statutes, rules, regulations and other laws, as they currently exist and as amended, associated with the confidentiality, access, control, and use of “private information”, including, but not limited to:

- a.** Health Insurance Portability and Accountability Act of 1996 (Public Law 104-191), known as HIPAA, and related or similar state medical privacy laws;
- b.** Gramm-Leach-Bliley Act of 1999 (G-L-B), also known as the Financial Services Modernization Act of 1999, including sections concerning security protection and standards for customer records maintained by financial services companies, and the rules and regulations promulgated thereunder;
- c.** State and Federal statutes and regulations regarding the security and privacy of consumer information;
- d.** Governmental privacy protection regulations or laws associated with the control and use of personal information, including but not limited to requirements to post or publish “your privacy policy”, adopt specific privacy controls, or inform customers of actual or suspected “privacy breaches”;
- e.** Privacy provisions of consumer protection laws, including the Federal Fair Credit Reporting Act (FCRA) and similar state laws;
- f.** Children’s Online Privacy Protection Act or similar laws, as they exist now or in the future;
- g.** The EU Data Protection Act or other similar privacy and security statutes, rules, regulations or other laws worldwide, as they exist now or in the future; and

- h.** The Health Information Technology for Economic and Clinical Health Act (HITECH ACT), enacted under Title XIII of the American Recovery and Reinvestment Act of 2009 (ARRA) (Pub. L. 111-5), and its implementing regulations, including related or similar state medical privacy laws.
- 58.** “Privacy regulatory proceeding” means a formal civil administrative proceeding or regulatory action instituted against an “Insured” by a federal, state or local governmental body because of a “security breach” or “privacy breach”.
- 59.** “Private information” means:
- a.** Proprietary or confidential information owned by a “third party” that is in the care, custody or control of an “Insured” or is used by an “Insured” with the consent of such “third party”;
 - b.** “Personally identifiable information”; and
 - c.** Any information that is linked or linkable to a specific individual and that is subject to any “privacy regulations”.
- 60.** “Proactive privacy breach response costs” means those reasonable and necessary “public relations expenses” that “you” incur in response to an actual or potential “security breach” or “privacy breach”, but prior to the publication of an “adverse media report”, to avert or mitigate the potential impact of an “adverse media report”. “Proactive privacy breach response costs” must be incurred with the Company’s prior written consent and are subject to the “proactive privacy breach response costs sublimit”.
- 61.** “Proactive privacy breach response costs sublimit” means the maximum amount that the Company will pay for “proactive privacy breach response costs”. The “proactive privacy breach response costs sublimit” is included within, and will erode, the Limits of Liability for Coverage E of this Endorsement.
- 62.** “Programming error” means an error which occurs during the development or encoding of a “computer program”, software or application and which would, when in operation, result in a malfunction or incorrect operation of a “computer system”.
- 63.** “Property damage” means physical injury to, or impairment, destruction or corruption of, any tangible property, including the loss of use thereof. “Data” is not considered tangible property.
- 64.** “Public relations expenses” means expenses that “you” incur to re-establish “your reputation”, which was damaged as a direct result of an “adverse media report”.
- 65.** “Regulatory compensatory award” means a sum of “money” which an “Insured” is legally obligated to pay as an award or fund for affected individuals, including a regulatory agency’s monetary award to a “third party”, due to an adverse judgment or settlement arising out of a “privacy regulatory proceeding”. “Regulatory compensatory award” does not include a criminal penalty or fine issued by a regulatory agency of any kind, including federal, state, or local governmental agencies.
- 66.** “Regulatory fines and penalties” means civil fines or penalties imposed by a federal, state, or local governmental regulatory body against an “Insured” in a “privacy regulatory proceeding”. “Regulatory fines and penalties” does not include: 1) any criminal fines or penalties of any nature whatsoever; or 2) “PCI DSS fines and assessments”.
- 67.** “Retroactive date” means the date specified as such in the CYBER LIABILITY COVERAGE section of the Policy Declarations on or after which “wrongful acts” or “first party insured events” must have taken place to be considered for coverage under this Endorsement.
- 68.** “Securities” means negotiable or non-negotiable instruments or contracts representing “money” or “other property”, but does not include “money”.
- 69.** “Security and privacy wrongful act” means any of the following, whether actual or alleged, but only if committed by an “Insured”:
- a.** The failure to prevent or hinder a “security breach”, which in turn results in:
 - 1) The alteration, copying, corruption, destruction, deletion, or damage to “data” stored on an “insured computer system”;

- 2) Theft, loss or unauthorized disclosure of electronic or non-electronic “private information” that is in “your” care, custody or control;
- 3) Theft, loss or unauthorized disclosure of electronic or non-electronic “private information” that is in the care, custody or control of a “BPO service provider” or an “outsourced IT service provider” that is holding, processing or transferring such “private information” on “your” behalf; provided, however, that the theft, loss or unauthorized disclosure occurs while “your” written contract with such “BPO service provider” or “outsourced IT service provider” is still in effect;
- 4) “Unauthorized access” to, or “unauthorized use” of, a “computer system” other than an “insured computer system”;
- 5) The inability of an authorized “third party” to gain access to “your” services;

- b. The failure to timely disclose a “security breach” affecting “private information”; or the failure to dispose of “private information” within the required period, in violation of “privacy regulations”;
- c. The failure to prevent the transmission of a “malicious code” or “computer virus” from an “insured computer system” to the “computer system: of a “third party”;
- d. A “privacy breach”;
- e. The failure to prevent a “privacy breach”;
- f. The failure to prevent or hinder participation by an “insured computer system” in a “denial of service attack” directed against “internet” sites or the “computer system” of a “third party”;
- g. Loss of “personally identifiable information” of “employees”; or
- h. Infliction of emotional distress or mental anguish, but only if directly resulting from a peril described in a. through g. above.

70. “Security breach” means any of the following, whether a specifically targeted attack or a generally distributed attack:

- a. “Unauthorized access” to, or “unauthorized use” of, an “insured computer system”, including “unauthorized access” or “unauthorized use” resulting from the theft of a password from an “insured computer system” or from an “Insured”;

- b. A “denial of service attack” against an “insured computer system”;
- c. Infection of an “insured computer system” by “malicious code” or the transmission of “malicious code” from an “insured computer system”; or
- d. An event described in a. through c. above resulting from an “act of cyber terrorism”.

A series of continuing “security breaches”, related or repeated “security breaches”, or multiple “security breaches” resulting from a continuing failure of computer security will be considered a single “security breach” and will be deemed to have occurred at the time the first of such “security breaches” occurred.

71. “Special expenses” means reasonable and necessary costs and expenses that “you” incur to:

- a. Prevent, preserve, minimize, or mitigate any further damage to “digital assets”, including the reasonable and necessary fees and expenses of specialists, outside consultants or forensic experts;
- b. Preserve critical evidence of any criminal or malicious wrongdoing;
- c. Purchase replacement licenses for “computer programs” because the copy protection system or access control software was damaged or destroyed by a “covered cause of loss”; or
- d. Notify affected individuals of a total or partial interruption, degradation in service, or failure of an “insured computer system” resulting from a “covered cause of loss”.

“Special expenses” does not include:

- a. The cost(s) of restoring, updating, or replacing “digital assets” to a level beyond that which existed prior to the “covered cause of loss”;
- b. Physical damage to the “computer hardware” or “data” center other than accidental physical damage to, or destruction of, “electronic media” so that stored “digital assets” are no longer machine-readable;
- c. Contractual penalties or consequential damages;
- d. Any liability to “third parties” for whatever reason, including, but not limited to, legal costs and expenses of any type;
- e. Fines or penalties imposed by law;
- f. The economic or market value of “digital assets”;

- g.** Costs or expenses incurred to identify, patch, or remediate software program errors or “computer system” vulnerabilities;
 - h.** Costs to upgrade, redesign, reconfigure, or maintain an “insured computer system” to a level of functionality beyond that which existed prior to the “covered cause of loss”;
 - i.** Any loss rising out of a physical cause or natural peril, including, but not limited to, fire, wind, water, flood, subsidence, or earthquake; or
 - j.** The cost(s) of restoring, replacing or repairing “electronic media”.
- 72.** “Subsidiary” means a legal entity in which the “Named Insured” owns, directly or indirectly, more than fifty percent (50%) of the issued or outstanding voting securities, provided that such entity also:
- a.** Was so owned on the effective date of this Endorsement; or
 - b.** Was created or acquired after the effective date of this Endorsement subject to the limitations of SECTION VIII – CHANGES IN EXPOSURE, paragraphs 2. and 3.
- 73.** “Takeover” means:
- a.** Any person, entity or affiliated group of persons or entities obtains more than fifty percent (50%) of the “Named Insured’s” equity or assets;
 - b.** Any person, entity or affiliated group of persons or entities obtains the right to elect or appoint more than fifty percent (50%) of the “Named Insured’s” directors, officers, trustees or member managers, as applicable;
 - c.** The “Named Insured” is dissolved, sold or acquired by, merged into, or consolidated with, another entity, such that the “Named Insured” is not the surviving entity; or
 - d.** The “Named Insured” ceases to do business for any reason.
- 74.** “Third party”, whether singular or plural, means any entity, company, organization or person who does not qualify as an “Insured”.
- 75.** “Unauthorized access” means the gaining of access to a “computer system” by any unauthorized person or persons.
- 76.** “Unauthorized use” means the use of a “computer system” by any unauthorized person or persons or by any authorized person or persons in an unauthorized manner.
- 77.** “Vicariously liable” means “your” legal responsibility for the liability of others, including legal responsibility “you” assume in a contract. The existence of vicarious liability will not create or confer any rights or duties under this Endorsement to any “third party”, other than as provided in this definition.
- 78.** “Voluntary notification expenses” means those reasonable and necessary legal expenses, forensic and investigation expenses, postage expenses, and related advertising expenses that “you” incur to notify individuals of a “security breach” or “privacy breach” where there is no specific legal requirement in the applicable jurisdiction mandating such notice. “Voluntary notification expenses” must be incurred with the Company’s prior written consent and are subject to the “voluntary notification expenses sublimit”.
- 79.** “Voluntary notification expenses sublimit” means the maximum amount that Company will pay for “voluntary notification expenses”. The “voluntary notification expenses sublimit” is included within, and will erode, the Limits of Liability for Coverage E of this Endorsement.
- 80.** “Waiting period” means:
- a.** With respect to Coverage F, the two (2) week period which must elapse after “notification”, or in the event of an “adverse media report”, after publication of the first “adverse media report”, before “brand loss” may be payable. The “waiting period” applies to each “period of indemnity”.
 - b.** With respect to Coverage G.2., the eight (8) hour period which must elapse before “income loss”, “interruption expenses” and “special expenses” may be payable. The “waiting period” applies to each “period of restoration”.
- 81.** “Wrongful act” means:
- a.** With respect to Coverage A, a “multimedia wrongful act”;
 - b.** With respect to Coverage B, a “security and privacy wrongful act”; and
 - c.** With respect to Coverage C and Coverage D, a “security breach” or “privacy breach”.

82. "You" and "Your" means the "Named Insured" and any "Subsidiary".

83. "Your privacy policy" means "your" published policies provided to "employees" or "third parties" in written or electronic form that govern the collection, dissemination, confidentiality, integrity, accuracy or availability of information relating to "private information".

84. "Your reputation" means the estimation of trust that customers or clients have in doing business with "you" or in purchasing "your" products or services.

SECTION V – CYBER LIABILITY NOTICE PROVISIONS

The following Notice Provisions will apply only to the coverage provided under this Endorsement and will supersede any other notice provisions contained elsewhere in the Policy.

1. As a condition precedent to coverage for any "claim", an "executive" must provide written notice to the Company of such "claim" as soon as practicable, but no later than 60 days after expiration of the "policy period" (or during the "cyber liability extended reporting period", if applicable).
2. If, during the "policy period", an "executive" becomes aware of any incidents, acts, facts or circumstances that could reasonably be a basis for a "claim", the "executive" must give written notice of the following information to the Company during the "policy period":
 - a. Specific details of the incidents, acts, facts or circumstances that could reasonably be the basis for a "claim";
 - b. Possible "damages", penalties, or other amounts potentially covered under this Endorsement that may result or has resulted from the facts or circumstances;
 - c. Details regarding how the "executive" first became aware of the incidents, acts, facts or circumstances; and
 - d. The "computer system" security and event logs, if applicable.

Any "claim" arising out of such reported incidents, acts, facts or circumstances will be deemed to be a "claim" first made on the date that Company first received written notice complying with the above requirements.

SECTION VI – CYBER LIABILITY EXTENDED REPORTING PROVISIONS

1. In the event of cancellation or non-renewal of the Policy either by the "Named Insured" or the Company, the "Named Insured" will have the option to purchase a "cyber liability extended reporting period" effective from the date of Policy cancellation or non-renewal. The additional premium for the "cyber liability extended reporting period" will be a percentage of the full Cyber Liability annual premium in effect on the date the Policy was issued or last renewed, as set forth below:

Term	Percent of Cyber Annual Premium
One Year (12 Months)	100%
Two Years (24 Months)	150%
Three Years (36 Months)	200%

2. If purchased by the "Named Insured", the "cyber liability extended reporting period" will apply to any "claim" first made during the "cyber liability extended reporting period", but only if the actual or alleged "wrongful acts" or "first party insured events" giving rise to such "claim" occur on or after the "retroactive date" and prior to the end of the "policy period". As a further condition precedent to coverage, the "claim" must be reported to the Company in accordance with **SECTION V – CYBER LIABILITY NOTICE PROVISIONS** and will be subject to all other Endorsement terms, conditions and exclusions.
3. To purchase the "cyber liability extended reporting period", the "Named Insured's" written request for the "cyber liability extended reporting period", together with full payment of the additional premium for the "cyber liability extended reporting period", must be received by the Company within 30 days of the effective date of cancellation or nonrenewal of the Policy.
4. The Limits of Liability for the "cyber liability extended reporting period" are part of, and not in addition to, the Limits of Liability set forth in the **CYBER LIABILITY COVERAGE** section of the Policy Declarations.
5. The right to purchase a "cyber liability extended reporting period" will not be available to the "Named Insured" where cancellation or nonrenewal of the Policy by the Company is because of non-payment of premium.
6. At the commencement of a "cyber liability extended reporting period", the entire premium will be deemed fully earned, and in the event the "Named

Insured” terminates a “cyber liability extended reporting period” for any reason prior to its natural expiration, the Company will not be liable to return any premium paid for the “cyber liability extended reporting period”.

7. When applicable, the “cyber liability extended reporting period” and corresponding premium are set forth in the **CYBER LIABILITY COVERAGE** section of the Policy Declarations.

SECTION VII – CYBER LIABILITY EXCLUSIONS

The following exclusions will apply only to the coverage provided under this Endorsement. The exclusions that appear elsewhere in the Policy will not apply to this Endorsement.

The Company will not be liable for any “claim”:

1. Based upon, arising from, or in any way involving any actual or alleged “wrongful act” or “first party insured event” which took place, in whole or in part, prior to the “retroactive date”.
2. Based upon, arising from, or in any way involving any actual or alleged “wrongful act” or “first party insured event” of which any “Insured” had knowledge prior to the “policy period” or prior to the inception date of Cyber Liability insurance issued by the Company of which this Endorsement is a direct and continuous renewal.
3. Based upon, arising from, or in any way involving any “wrongful act” or “first party insured event” which was disclosed or reported to a previous insurer prior to the “policy period”.
4. Made by or on behalf of an “Insured” against another “Insured”. This exclusion does not apply to an otherwise covered “claim” under Coverage B which is made by any past, present or future “employee” alleging a “security and privacy wrongful act”.
5. Based upon, arising from, or in any way involving any of the following committed by an “Insured”, whether acting alone or in collusion with other persons:
 - a. A willful, intentional, deliberate, malicious, fraudulent, dishonest, or criminal act or omission;
 - b. Any intentional violation of law;
 - c. Any intentional violation of “your privacy policy”; or
- d. The gaining of any profit or advantage to which an “Insured” is not legally entitled.

This exclusion does not apply to “defense costs” or the Company’s duty to defend any such “claim” under Coverage A, Coverage B, Coverage C, or Coverage D until the conduct described in this exclusion has been established by a final adjudication in a judicial, administrative or alternative dispute proceeding, or by an “Insured’s” own admission in a proceeding or otherwise. The Company will have the right to recover “defense costs” incurred in defending any such “claim” from those parties found to have committed the conduct described in this exclusion.

This exclusion does not apply to any “Insured” that did not commit, participate in, or have knowledge of any conduct described in this exclusion.

6. Based upon, arising from, or in any way involving activities of an “Insured” as a trustee, partner, officer, director, or employee of any trust, organization, corporation, company or business other than “your” trust, organization, corporation, company or business.
7. Based upon, arising from, or in any way involving the insolvency or bankruptcy of any person or entity, or the failure, inability, or unwillingness of any person or entity to make payments, perform obligations or conduct business because of insolvency, liquidation, or bankruptcy.
8. Based upon, arising from, or in any way involving “bodily injury” or “property damage”.
9. Based upon, arising from, or in any way involving:
 - a. Satellite failures;
 - b. Electrical or mechanical failures or interruption, including electrical disturbance, spike, brownout, or blackout; or
 - c. Outages to gas, water, telephone, cable, telecommunication or other infrastructure, unless such infrastructure is under “your” direct operational control and unless such “claim” forms a part of an otherwise covered “first party insured event” under Coverage G.
10. Based upon, arising from, or in any way involving the wear and tear, drop in performance, progressive deterioration, or aging of electronic equipment or “computer hardware” or tangible property used by “you”.

11. Based upon, arising from, or in any way involving the failure of overhead transmission and distribution lines.
12. Based upon, arising from, or in any way involving the gradual deterioration of subterranean insulation.
13. Based upon, arising from, or in any way involving fire, smoke, explosion, lightning, wind, water, flood, earthquake, volcanic eruption, tidal wave, landslide, hail, force majeure, or any other physical event, however caused.
14. Based upon, arising from, or in any way involving coupons, prize discounts, prizes, awards, or any valuable consideration given that exceeds the total contracted or expected amount.
15. Based upon, arising from, or in any way involving the actual or alleged inaccurate, inadequate, or incomplete description of the price of goods, products or services.
16. Based upon, arising from, or in any way involving any cost guarantee, cost representation, contract price, or cost estimate being exceeded.
17. Based upon, arising from, or in any way involving the violation of any economic or trade sanctions by the United States government including, but not limited to, sanctions administered and enforced by the United States Treasury Department's Office of Foreign Assets Control (OFAC). This exclusion does not apply to a "security breach" originating from any country where the United States of America has imposed economic or trade sanctions.
18. Based upon, arising from, or in any way involving any breach of any express, implied, actual or constructive contract, warranty, guarantee or promise. This exclusion does not apply to:
 - a. Any liability or obligation an "Insured" would have had in the absence of such contract, warranty, guarantee or promise and which would have been insured by this Endorsement; or
 - b. A breach of "your privacy policy".
19. Based upon, arising from, or in any way involving any liability assumed by any "Insured" under a contract or agreement. This exclusion does not apply to:
 - a. With respect to Coverage A and Coverage B only, liability "assumed under contract";
 - b. Any liability an "Insured" would have had in the absence of such contract or agreement and which would have been insured by this Endorsement; or
 - c. With respect to Coverage D only, liability for "PCI DSS fines and assessments" assumed under a "merchant services agreement".
20. Based upon, arising from, or in any way involving:
 - a. Any actual, alleged or threatened presence of pollutants or contamination of any kind, including, but not limited to, asbestos, smoke, vapor, soot, fumes, acids, alkalis, chemicals, and waste (waste includes materials to be recycled, reconditioned, or reclaimed), whether such presence results from an "Insured's" activities or the activities of others, or such presence or contamination happened suddenly or gradually, accidentally or intentionally, or expectedly or unexpectedly; or
 - b. Any directive or request to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize pollutants, or in any way respond to, or assess the effects of, pollutants or contamination of any kind.
21. Based upon, arising from, or in any way involving "income loss" caused by, or resulting from, unauthorized trading. For purposes of this exclusion, unauthorized trading means trading, which at the time of the trade exceeds permitted financial limits or outside of permitted product lines.
22. Based upon, arising from, or in any way involving:
 - a. The actual or alleged loss of value of any "securities";
 - b. The actual or alleged purchase or sale of "securities";
 - c. The offer of, or solicitation of an offer, to purchase or sell "securities"; or
 - d. The violation of any securities law including, but not limited to, the provisions of the Securities Act of 1933, the Securities Exchange Act of 1934, or the Sarbanes-Oxley Act of 2002, or any regulation promulgated under the foregoing statutes, or any similar federal, state, local, or foreign law, including "Blue Sky" laws, whether such law is statutory, regulatory, or common law.

- 23.** Based upon, arising from, or in any way involving the actual or alleged violation of the Organized Crime Control Act of 1970 (commonly known as “Racketeer Influenced and Corrupt Organizations Act” or “RICO”), as amended, or any regulation promulgated under the foregoing statute, or any similar federal, state, local or foreign law, whether such law is statutory, regulatory or common law.
- 24.** Based upon, arising from, or in any way involving the actual or alleged government enforcement of any state or federal regulation including, but not limited to, regulations promulgated by the United States Federal Trade Commission, Federal Communications Commission, or the Securities and Exchange Commission. This exclusion does not apply to an otherwise covered “claim” under Coverage C.
- 25.** Based upon, arising from, or in any way involving:
- a.** Any employer-“employee” relations, policies, practices, acts, or omissions;
 - b.** Any actual or alleged refusal to employ any person; or
 - c.** Any misconduct with respect to “employees”. This exclusion does not apply to a “claim” resulting from a “privacy breach” that is otherwise covered under Coverage B, Coverage C, or Coverage E.
- 26.** Based upon, arising from, or in any way involving any workers’ compensation or similar laws such as the Federal Employers Liability Act.
- 27.** Based upon, arising from, or in any way involving any actual or alleged harassment or discrimination of any kind including, but not limited to, age, color, race, gender, creed, national origin, marital status, sexual preferences, disability, or pregnancy.
- 28.** Based upon, arising from, or in any way involving:
- a.** The violation of any pension, healthcare, welfare, profit sharing, mutual, or investment plans, funds, or trusts; or
 - b.** Any violation of any provision of the Employee Retirement Income Security Act of 1974 and its amendments, or the Pension Protection Act of 2006 and its amendments, or any regulation, ruling, or order issued pursuant to the foregoing statutes.
- 29.** Based upon, arising from, or in any way involving labor strikes or similar labor actions.
- 30.** For loss, damage, cost, or expense of whatsoever nature directly or indirectly caused by, resulting from, or in connection with war, invasion, acts of foreign enemies, hostilities or warlike operations (whether declared or not), civil war or mutiny, civil commotion assuming the proportions of, or amounting to, a riot, popular uprising, military uprising, insurrection, rebellion, revolution, or usurped power or act of terrorism, regardless of any other cause or event contributing concurrently or in any other sequence to the loss; or for loss, damage, cost, or expense of whatsoever nature directly or indirectly caused by, resulting from, or in connection with any action taken by a government authority to hinder, control, prevent, suppress, or defend against any of the aforementioned actions; or the confiscation, nationalization, requisition, or destruction of, or damage to, property by, or under the order of, any government authority. This exclusion does not apply to an “act of cyber terrorism”.
- 31.** Based upon, arising from, or in any way involving any commercial decision by any “Insured” to cease providing a product or service, but only if the “Insured” is contractually obligated to continue providing such products or services.
- 32.** Based upon, arising from, or in any way involving:
- a.** Gambling or pornography; or
 - b.** The sale or provision of prohibited, restricted or regulated items, including, but not limited to, alcoholic beverages, tobacco or drugs.
- 33.** Based upon, arising from, or in any way involving:
- a.** Any “Insured’s” failure to comply with or follow the “PCI Data Security Standard” or any payment card company rules; or
 - b.** Any “Insured’s” failure to implement or maintain, or comply with, any security measures or standards related to any payment card “data” including, but not limited to, any fine or penalty imposed by a payment card company on a merchant bank or payment processor that an “Insured” has paid or agreed to reimburse or indemnify.
- This exclusion does not apply to an otherwise covered “PCI DSS demand” under Coverage D.

34. Based upon, arising from, or in any way involving:

- a.** Any actual or alleged unfair competition, price fixing, deceptive trade practices or restraint of trade; or
- b.** The violation of any antitrust statute, legislation or regulation.

This exclusion does not apply to allegations of unfair competition that form a part of an otherwise covered “claim” under Coverage A. This exclusion does not apply to allegations of deceptive trade practices that form a part of an otherwise covered “claim” under Coverage B.

35. Based upon, arising from, or in any way involving any actual or alleged infringement of any patent.

36. Based upon, arising from, or in any way involving the misappropriation, theft, copying, display or publication of any trade secret. This exclusion does not apply to an otherwise covered “claim” under Coverage B alleging failure to prevent the misappropriation of a trade secret which results from a “security and privacy wrongful act”.

37. Based upon, arising from, or in any way involving the manufacturing, mining, use, sale, installation, removal or distribution of, or exposure to, asbestos, materials or products containing asbestos, or asbestos fibers or dust.

38. Based upon, arising from, or in any way involving the confiscation, commandeering, requisition, destruction of, or damage to, “computer hardware” by order of a government de jure or de facto, or by any public authority for whatever reason.

39. Based upon, arising from, or in any way involving:

- a.** Any actual, alleged or threatened presence, of mold, mildew, spores, mycotoxins, fungi, organic pathogens, or other micro-organisms of any type, nature or description;
- b.** Any cost, expense, or charge, fine or penalty incurred or sustained, or imposed by order, direction, request, or agreement of any court, governmental agency, or any civil, public, or military authority, to test for, monitor, clean up, remediate, remove, contain, treat, detoxify, neutralize, rehabilitate, or in any way respond to, or assess, the effects of mold, mildew, spores, mycotoxins, fungi, organic pathogens, or other microorganisms of any type, nature, or description.

For purposes of this exclusion, organic pathogens mean any organic irritant or contaminant including, but not limited to, mold, fungus, bacteria, virus, or their byproducts such as mycotoxins, mildew, or biogenic aerosol. Organic pathogens includes, but is not limited to, Aspergillus, Penicillium, Stachybotrys Chartarum, Stachybotrys Atra, Trichoderma, Fusarium, and Memnoniella.

40. Based upon, arising from, or in any way involving the existence, emission, or discharge of any electromagnetic field, electromagnetic radiation, or electromagnetism, which actually or allegedly affects the health, safety, or condition of any person or the environment, or that affects the value, marketability, condition or use of any property.

41. Based upon, arising from, or in any way involving:

- a.** Ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel; or
- b.** The radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

42. Based upon, arising from, or in any way involving any actual or alleged violation of the Telephone Consumer Protection Act (47 U.S.C. §227), the Telemarketing and Consumer Fraud and Abuse Prevention Act (15 U.S.C. §§ 6101-6108), or the CAN-SPAM Act (15 U.S.C. §§ 7701-7713), each as amended, or any regulations promulgated under the foregoing statutes, or any similar federal, state, local or foreign laws, whether such laws are statutory, regulatory or common law, including any anti-spam law or other law concerning the use of telephonic or electronic communications for solicitation purposes, or any allegations of invasion or violation of any rights to privacy derived therefrom. This exclusion does not apply to an otherwise covered “claim” under Coverage B or Coverage C alleging a violation of the CAN-SPAM Act, as amended, or any regulations promulgated thereunder, or any similar federal, state, local or foreign law, whether such law is statutory, regulatory or common law, but only if such violation arises out of a “security breach”.

43. With respect to Coverage F (BrandGuard®), for:

- a. Any loss, cost, liability or expense that “you” incur to re-establish “your reputation”, including “public relations expenses”;
- b. Any loss, cost, liability or expense incurred in any “claim” that is insured by any other insurance, except excess insurance;
- c. Any loss, cost, liability or expense incurred because of an “adverse media report” that also affects or refers in similar terms to a general security issue, an industry, or “your” specific competitors without any specific allegations regarding a “security breach” or a “privacy breach” committed by an “Insured”, or by others acting on “your” behalf, for whom “you” are legally responsible, including “BPO service providers” or “outsourced IT service providers”;
- d. Any liability to “third parties” for whatever reason, including, but not limited to, legal costs and expenses of any type;
- e. Contractual penalties or consequential damages;
- f. “Notification expenses”, “breach support and credit monitoring expenses” or “privacy breach response costs” paid or payable under Coverage E; or
- g. Fines or penalties imposed by law or regulation.

SECTION VIII – CHANGES IN EXPOSURE

1. In the event of a “takeover” during the “policy period”, coverage under this Endorsement will continue until its natural expiration date for any “claim” made during the “policy period”, but only if the actual or alleged “wrongful acts” or “first party insured events” giving rise to such “claim” occur on or after the “retroactive date” and prior to the effective date of the “takeover”.
2. If, after the inception of the “policy period”, the “Named Insured” acquires or creates a “Subsidiary”, and we have agreed, by endorsement to the Policy, to provide coverage for such “Subsidiary”, then such “Subsidiary” will be included within the definition of “Insured”, but only with respect to “claims” for actual or alleged “wrongful acts” or “first party insured events” that occur after the effective date of the creation or acquisition of such “Subsidiary”.

3. If, after the inception of the “policy period”, the “Named Insured” sells a “Subsidiary”, that “Subsidiary” will be an “Insured”, but only with respect to “claims” for actual or alleged “wrongful acts” or “first party insured events” that occur on or after the “retroactive date” and prior to the effective date of the sale.

SECTION IX – LOSS DETERMINATION

1. **Brand Loss.** The “brand loss” payable under Coverage F will be calculated by considering:
 - a. The prior experience of “your” business preceding the date of the “adverse media report” or “notification”, whichever applies, and “your” likely net profit, had no “adverse media report” been published or “notification” occurred;
 - b. Income derived from substitute methods, facilities, or personnel “you” use to maintain “your” revenue stream;
 - c. “Your” documentation of the trends in “your” business and variations in, or other circumstances affecting, “your” business before or after the “adverse media report” or “notification”, which would have affected “your” business had no “adverse media report” been published or “notification” occurred; and
 - d. “Your” fixed operating expenses (including ordinary payroll), but only to the extent that such fixed operating expenses must continue during the “period of indemnity”.

For purposes of calculating “brand loss”, “net profit” will include the amount paid or payable to “you” for goods, products, or services sold, delivered, or rendered in the normal course of “your” business.

2. **Digital Assets Loss.** The “digital assets loss” payable under Coverage G.1. will be determined as follows:
 - a. If the impacted “digital asset” was purchased from a “third party”, we will pay only the lesser of the original purchase price of the “digital asset” or the reasonable and necessary “digital assets loss”.
 - b. If it is determined that the “digital assets” cannot be replaced, restored or recreated, we will only reimburse the actual and necessary “digital assets loss” incurred up to such determination.

3. Income Loss. The “income loss” payable under Coverage G.2. will be calculated as follows:

- a. “Your” net profit, as could have been reasonably projected, but which has been lost as a direct result of a “covered cause of loss”; plus
- b. “Your” fixed operating expenses (including ordinary payroll) incurred, but only to the extent that such operating expenses must continue during the “period of restoration”.

“Income loss” will be calculated by considering:

- a. The prior experience of “your” business preceding the date of the “covered cause of loss”, and “your” likely net profit, had no “covered cause of loss” occurred;
- b. Income derived from substitute methods, facilities, or personnel “you” use to maintain “your” revenue stream; and
- c. “Your” documentation of the trends in “your” business and variations in, or other circumstances affecting, “your” business before or after the “covered cause of loss”, which would have affected “your” business had no “covered cause of loss” occurred.

For purposes of calculating “income loss”, “net profit” will include the amount paid or payable to “you” for goods, products, or services sold, delivered, or rendered in the normal course of “your” business.

SECTION X – TRANSFER OF DUTIES WHEN THE LIMITS OF INSURANCE ARE EXHAUSTED

The following Transfer of Duties When the Limits of Insurance Are Exhausted provisions will apply only to the coverage provided under this Endorsement and will supersede any similar provisions contained elsewhere in the Policy.

1. If the Company concludes that, based on “claims” which have been reported, the Limits of Liability set forth in the **CYBER LIABILITY COVERAGE** section of the Policy Declarations are likely to be used up in payment of covered amounts, the Company will notify the “Insured” to that effect.
2. When the Limits of Liability have been exhausted:
 - a. The Company will notify the “Insured” in writing as soon as practicable that: (a) such Limits of Liability have been exhausted; and (b) the Company’s obligation to defend any “claim” or pay any amounts has ended.

b. The Company will initiate and cooperate in the transfer of control to the appropriate “Insured” all “claims” which are subject to the Limits of Liability and were reported to the Company before the Limits of Liability were exhausted. “You”, and any other “Insured”, must cooperate in the transfer of control of said “claims”. “You”, and any other “Insured” involved in a “claim”, must arrange for the defense and payment of such “claim” within the period agreed to by the appropriate “Insured” and the Company. Absent any such agreement, arrangements for defense and payment of the “claim” must be made as soon as practicable. The Company will take such steps as deemed appropriate to avoid default in, or continue the defense or handling of, such “claim” until transfer of control is completed, provided the “Insured” is cooperating in completing such transfer.

c. The “Insured” will reimburse the Company for costs it incurs in transferring control of a “claim”. The Company will take no action whatsoever with respect to any “claim” that would have been subject to the Limits of Liability had they not been exhausted, if the “claim” is reported to the Company after the Limits of Liability have been exhausted.

d. The “Insured” will also be responsible for providing “notification” and customer support, including credit monitoring services and identity theft education or assistance, to affected individuals. The “Insured” may continue to utilize vendors recommended by the Company to provide such services.

e. The exhaustion of the Limits of Liability and the resulting end of the Company’s obligation to defend any “claim” or pay any amount will not be affected by the Company’s failure to comply with any of the provisions of this section.

SECTION XI – OTHER INSURANCE

The coverage provided by this Endorsement will be excess insurance over any other valid and collectible insurance available, including any self-insured retention or deductible portion thereof, whether such insurance is stated to be primary, pro rata, contributory, excess, contingent or otherwise, unless such insurance specifically applies as excess insurance over the insurance provided under this Endorsement.

SECTION XII – ARBITRATION

Notwithstanding any other provision of this Endorsement or the Policy, any irreconcilable dispute between the Company and an “Insured” concerning this Endorsement or coverage for any “claim” is to be resolved by arbitration in accordance with the then current rules of the American Arbitration Association, except that the arbitration panel shall consist of one arbitrator selected by the “Insured”, one arbitrator selected by the Company, and a third independent arbitrator selected by the first two arbitrators. Judgment upon the award may be entered in any court having jurisdiction. The arbitrator has the power to decide any dispute between the Company and the “Insured” concerning the application or interpretation of this Endorsement. However, the arbitrator shall have no power to change or add to the provisions of this Endorsement. The “Insured” and the Company will share equally in the cost of arbitration.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ILLINOIS CHANGES CYBER LIABILITY

This endorsement modifies insurance provided under the following:

CYBER LIABILITY INSURANCE ENDORSEMENT

1. SECTION IV – CYBER LIABILITY DEFINITIONS,

22. “Defense costs”, is deleted in its entirety and replaced with the following:

22. “Defense costs” means:

- a. Reasonable and necessary fees incurred with the Company’s consent and charged by an attorney(s) designated by the Company to defend against a “claim” under Coverage A, Coverage B, Coverage C, or Coverage D; and
- b. All other reasonable and necessary fees, costs, and expenses resulting from the defense and appeal of a “claim” under Coverage A, Coverage B, Coverage C, or Coverage D, if incurred by the Company or by an “Insured” with our prior written consent.

“Defense costs” does not include any routine ongoing expenses, such as salaries of the Company’s employees, including staff attorneys, or salaries of an “Insured’s” staff attorneys; wages or salaries of an “Insured”; or fees, overhead or other charges incurred by, or paid to, any “Insured” for any time spent in cooperating in the investigation or defense of

2. SECTION VI – CYBER LIABILITY EXTENDED REPORTING PROVISIONS, paragraph 1., is deleted in its entirety and replaced with the following:

1. In the event of cancellation or non-renewal of the Policy either by the “Named Insured” or the Company for any reason, including non-payment of premium, the “Named Insured” will have the option to purchase a “cyber liability extended reporting period” effective from the date of Policy cancellation or non-renewal. The additional premium for the “cyber liability extended reporting period” will be a percentage of the full Cyber Liability annual premium in effect on the date the Policy was issued or last renewed, as set forth below:

Term	Percent of Cyber Annual Premium
One Year (12 Months)	100%
Two Years (24 Months)	150%
Three Years (36 Months)	200%

3. SECTION VI – CYBER LIABILITY EXTENDED REPORTING PROVISIONS, paragraph 5., is deleted in its entirety.

4. SECTION VII – CYBER LIABILITY EXCLUSIONS, exclusion 7., is amended by the addition of the following:

However, bankruptcy or insolvency of the “Insured” or the “Insured’s” estate shall not relieve the Company of its obligations hereunder.

5. SECTION VII – CYBER LIABILITY EXCLUSIONS, exclusion 20., is amended by the addition of the following:

This exclusion does not apply to damage caused by heat, smoke or fumes from a hostile fire. For purposes of this exclusion, “hostile fire” means a fire which is uncontrollable or breaks out from where it was intended to be.

6. SECTION VII – CYBER LIABILITY EXCLUSIONS, exclusion 40., is deleted in its entirety.

7. SECTION XI – OTHER INSURANCE is deleted in its entirety and replaced with the following:

SECTION XI – OTHER INSURANCE

When both this insurance and other insurance apply to a “claim” on the same basis, the Company shall not be liable under this Endorsement for a greater proportion of the “claim” than stated in the following applicable contribution provision:

1. Contribution by Equal Shares

If all of such other valid and collectible insurance provides for contribution by equal shares, the Company shall not be liable for a greater proportion of such “claim” than would be payable if each insurer contributes an equal share until the share of each insurer equals the lowest applicable limit of liability under any one policy or the full amount of the loss is paid, and with respect to any amount of loss not so paid, the remaining insurers then continue to contribute equal shares of the remaining amount of the “claim” until each such insurer has paid its limit in full or the full amount of the “claim” is paid.

2. Contribution by Limits

If any of such other insurance does not provide for contribution by equal shares, the Company shall not be liable for a greater proportion of such “claim” than the limit of liability under this Endorsement bears to the total applicable limit of liability of all valid and collective insurance against such “claim”.

8. SECTION XII – ARBITRATION is deleted in its entirety and replaced with the following:

SECTION XII – ARBITRATION

Notwithstanding any other provision of this Endorsement or the Policy, any irreconcilable dispute between the Company and an “Insured” concerning this Endorsement or coverage for any “claim” may be resolved by arbitration in accordance with the then current rules of the American Arbitration Association, except that the arbitration panel shall consist of one arbitrator selected by the “Insured”, one arbitrator selected by the Company, and a third independent arbitrator selected by the first two arbitrators. Both parties must agree to arbitration. Judgment upon the award may be entered in any court having jurisdiction. The arbitrator has the power to decide any dispute between the Company and the “Insured” concerning the application or interpretation of this Endorsement. However, the arbitrator shall have no power to change or add to the provisions of this Endorsement. The “Insured” and the Company will share equally in the cost of arbitration.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS OF THE CYBER LIABILITY ENDORSEMENT AND YOUR POLICY REMAIN THE SAME.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CYBER INCIDENT EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY

A. The following exclusion is added to Paragraph B.

Exclusions:

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

Cyber Incident

1. Unauthorized access to or use of any computer system (including electronic data).
2. Malicious code, virus or any other harmful code that is directed at, enacted upon or introduced into any computer system (including electronic data) and is designed to access, alter, corrupt, damage, delete, destroy, disrupt, encrypt, exploit, use or prevent or restrict access to or the use of any part of any computer system (including electronic data) or otherwise disrupt its normal functioning or operation.
3. Denial of service attack which disrupts, prevents or restricts access to or use of any computer system, or otherwise disrupts its normal functioning or operation.

B. Exceptions And Limitations

1. Fire Or Explosion

If a cyber incident as described in Paragraphs A.1. through A.3. of this exclusion results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

2. Additional Coverage

The exclusion in Paragraph A. does not apply to the extent that coverage is provided in the:

- a. Additional Coverage – Electronic Data; or
- b. Additional Coverage – Interruption Of Computer Operations.

3. Electronic Commerce Endorsement

The exclusion in Paragraph A. does not apply to the Electronic Commerce (E-Commerce) endorsement when attached to your policy.

C. Vandalism

The following is added to Vandalism, if Vandalism coverage is not otherwise excluded under the Standard Property Policy or the Causes Of Loss – Basic, Broad or Special Forms and if applicable to the premises described in the Declarations:

Vandalism does not include a cyber incident as described in Paragraph A.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CANNABIS EXCLUSION WITH HEMP AND LESSORS RISK EXCEPTIONS

This endorsement modifies insurance provided under the

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

A. The following exclusion is added:

This insurance does not apply to:

"Bodily injury", "property damage" or "personal and advertising injury" arising out of:

1. The design, cultivation, manufacture, storage, processing, packaging, handling, testing, distribution, sale, serving, furnishing, possession or disposal of "cannabis"; or
2. The actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, contact with, exposure to, existence of, or presence of "cannabis".

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", or the offense which caused the "personal and advertising injury", involved that which is described in Paragraph **A.1.** or **A.2.** above.

However, Paragraph **A.2.** does not apply to "bodily injury" or "property damage" arising out of the actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, or contact with, "cannabis" by:

- (1) An insured; or
- (2) Any other person for whom you are legally responsible

but only if the "bodily injury" or "property damage" does not arise out of your selling, serving or furnishing of "cannabis" to any person described above.

B. The exclusion in Paragraph A. does not apply to:

1. "Bodily injury", "property damage" or "personal and advertising injury" arising out of goods or products containing or derived from hemp, including, but not limited to:
 - a. Seeds;
 - b. Food;
 - c. Clothing;
 - d. Lotions, oils or extracts;
 - e. Building materials; or
 - f. Paper.
2. "Property damage" to goods or products described in Paragraph **B.1.** above.

However, Paragraphs **B.1.** and **B.2.** above do not apply to the extent any such goods or products are prohibited under an applicable state or local statute, regulation or ordinance in the state wherein:

- (1) The "bodily injury" or "property damage" occurs;
 - (2) The "occurrence" which caused the "bodily injury" or "property damage" takes place; or
 - (3) The offense which caused the "personal and advertising injury" was committed;
3. "Bodily injury", "property damage" or "personal and advertising injury" arising out of ownership, maintenance or use of a premises leased to others by you; or

4. "Personal and advertising injury" arising the following offenses:
 - a. False arrest, detention or
 - b. The wrongful eviction from, wrongful entry into, or invasion of the right or private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor.
- C. The following definition is added to the **Definitions** section:

"Cannabis":

 1. Means:

Any good or product that consists of or contains any amount of Tetrahydrocannabinol (THC) or any other cannabinoid, regardless of whether any such THC or cannabinoid is natural or synthetic.

2. Paragraph **C.1.** above includes, but is not limited to, any of the following containing such THC or cannabinoid:
 - a. Any plant of the genus Cannabis L., or any part thereof, such as seeds, stems, flowers, stalks and roots; or
 - b. Any compound, byproduct, extract, derivative, mixture or combination, such as:
 - (1) Resin, oil or wax;
 - (2) Hash or hemp; or
 - (3) Infused liquid or edible cannabis; whether or not derived from any plant or part of any plant set forth in Paragraph **C.2.a.**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CANNABIS EXCLUSION WITH HEMP EXCEPTION

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
STANDARD PROPERTY POLICY

- A.** When this endorsement is attached to the Standard Property Policy, the terms Part and Coverage Form in this endorsement are replaced by the term Policy.
- B. Property Not Covered** is amended as follows:
1. "Cannabis" is added to **Property Not Covered**.
 2. Paragraph **B.1.** of this endorsement does not apply to goods or products containing or derived from hemp, including, but not limited to:
 - a. Seeds;
 - b. Food;
 - c. Clothing;
 - d. Lotions, oils or extracts;
 - e. Building materials; or
 - f. Paper.
- However, this Paragraph **B.2.** does not apply to the extent any such goods or products are prohibited under an applicable state or local statute, regulation or ordinance in the state where such goods or products are located.
- C.** For the purpose of this endorsement, when Business Income (And Extra Expense) Coverage Form **CP 00 30**, Business Income (Without Extra Expense) Coverage Form **CP 00 32** and/or Extra Expense Coverage Form **CP 00 50** are indicated in the Declarations as being provided under this Policy:
1. Coverage under this Policy does not apply to that part of Business Income loss and/or Extra Expense incurred, due to a "suspension" of your "operations", which is attributable to the design, cultivation, manufacture, storage, processing, packaging, handling, testing, distribution, sale, serving, furnishing, possession or disposal of "cannabis".
- 2.** Paragraph **C.1.** of this endorsement does not apply to Business Income loss and/or Extra Expense which is attributable to goods or products containing or derived from hemp, including, but not limited to:
- a. Seeds;
 - b. Food;
 - c. Clothing;
 - d. Lotions, oils or extracts;
 - e. Building materials; or
 - f. Paper.
- However, this Paragraph **C.2.** does not apply to the extent any such goods or products are prohibited under an applicable state or local statute, regulation or ordinance in the state where such goods or products are located.
- D.** For the purpose of this endorsement, the following definition is added:
- "Cannabis":
1. Means:

Any good or product that consists of or contains any amount of Tetrahydrocannabinol (THC) or any other cannabinoid, regardless of whether any such THC or cannabinoid is natural or synthetic.
 2. Paragraph **D.1.** above includes, but is not limited to, any of the following containing such THC or cannabinoid:
 - a. Any plant of the genus Cannabis L., or any part thereof, such as seeds, stems, flowers, stalks and roots; or
 - b. Any compound, by-product, extract, derivative, mixture or combination, such as:
 - (1) Resin, oil or wax;
 - (2) Hash or hemp; or
 - (3) Infused liquid or edible cannabis; whether or not derived from any plant or part of any plant set forth in Paragraph **D.2.a.**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ACTUAL CASH VALUE DEFINITION

Wherever found:

1. Actual cash value means the amount it would cost at the time of loss or damage to repair or replace covered property with new property of similar quality and features less a deduction for depreciation.
2. Depreciation means a decrease in value because of age, condition, wear, deterioration, pre-loss damage, obsolescence or market value. For calculating depreciation, all components necessary to repair or replace lost or damaged covered property are considered including, but not limited to:
 - a. the cost of materials, labor and services;
 - b. any applicable taxes; and
 - c. profit and overhead.



527 COLMAN CENTER DRIVE • P.O. BOX 5626 • ROCKFORD, ILLINOIS 61125

We will provide the insurance described in this policy in return for the premium and compliance with all the applicable provisions of this policy.

MUTUAL PROVISIONS

ROCKFORD MUTUAL INSURANCE COMPANY is non-assessable and the liability of each member is limited to the premium deposit on the policy issued and shall be without contingent liability.

ANNUAL MEETING

The annual meeting of the Rockford Mutual Insurance Company is held at the home office in Rockford, Illinois on the Fourth Thursday of April each year at 10:00 a.m.

President & CEO

Secretary