

Total Premiums	
Liability	\$0
Personal Injury Protection	\$0
Added Personal Injury Protection	\$0
Property Protection Insurance ( Michigan Only)	\$0
Auto Medical Payments	\$0
Medical Expense And Income Loss Benefits (Virginia Only)	\$0
Comprehensive	\$0
Specified Causes Of Loss	\$0
Collision	\$0
Towing And Labor	\$0

**ITEM FOUR**

**Schedule Of Hired Or Borrowed Covered Auto Coverage And Premiums**

Liability Coverage - Rating Basis, Cost Of Hire				
State	Estimated Cost Of Hire For Each State	Rate Per Each \$100 Cost Of Hire	Factor (If Liability Coverage Is Primary)	Premium
PA	If Any	\$		\$185

Liability Coverage – Rating Basis, Number Of Days – (For Mobile Or Farm Equipment – Rental Period Basis)					
State	Estimated Number Of Days Equipment Will Be Rented	Base Premium		Factor	Premium
<b>Total Premium</b>					<b>\$185</b>

Cost of hire means the total amount you incur for the hire of "autos" you don't own (not including "autos" you borrow or rent from your partners or "employees" or their family members). Cost of hire does not include charges for services performed by motor carriers of property or passengers

ITEM FOUR

Schedule Of Hired Or Borrowed Covered Auto Coverage And Premiums (Cont'd)

Physical Damage Coverage

Coverages	Limit Of Insurance			
Comprehensive	Actual Cash Value Or Cost Of Repair, Whichever Is Less, Minus \$50,000 Deductible \$500 For Each Covered Auto, But No Deductible Applies To Loss Caused By Fire Or Lightning.			
	State	Estimated Annual Cost Of Hire For Each State	Rate Per Each \$100 Annual Cost Of Hire	Premium
	PA	If Any	\$	\$183
Specified Causes Of Loss	Actual Cash Value Or Cost Of Repair, Whichever Is Less, Minus \$0 Deductible \$0 For Each Covered Auto For Loss Caused By Mischief Or Vandalism.			
	State	Estimated Annual Cost Of Hire For Each State	Rate Per Each \$100 Annual Cost Of Hire	Premium
		\$	\$	\$
Collision	Actual Cash Value Or Cost Of Repair, Whichever Is Less, Minus \$50,000 Deductible \$500 For Each Covered Auto.			
	State	Estimated Annual Cost Of Hire For Each State	Rate Per Each \$100 Annual Cost Of Hire	Premium
	PA	If Any	\$	\$281
Total Premium:				\$649

**ITEM FIVE**  
**Schedule For Non-Ownership Liability**

Named Insured's Business	Rating Basis	Number	Premium
Other Than Garage Service Operations And Other Than Social Service Agencies	Number Of Employees	25	\$122
	Number Of Partners		\$
Garage Service Operations	Number Of Employees Whose Principal Duty Involves The Operation Of Autos		\$
Social Services Agencies	Number Of Employees		\$
	Number Of Volunteers		\$
<b>Total Premiums</b>			<b>\$122</b>

ENDORSEMENTS		
ENDORSEMENT NUMBER	EDITION DATE	DESCRIPTION
CA 00 01	10 13	Business Auto Coverage Form
CA 01 80	10 13	Pennsylvania Changes
CA 20 54	10 13	Employee Hired Autos
CA 20 55	10 13	Fellow Employee Coverage
CA 23 01	10 13	Explosives
CA 23 84	10 13	Exclusion of Terrorism
CA 23 94	10 13	Silica or Silica-Related Dust Exclusion For Covered Autos Exposure
CA 99 33	10 13	Employees as Insureds
CA 99 34	10 13	Social Service Agencies - Volunteers as Insureds
IL 00 03	09 08	Calculation of Premium
IL 00 17	11 98	Common Policy Conditions
IL 00 21	09 08	Nuclear Energy Liability Exclusion
IL 01 20	10 13	Pennsylvania Changes - Defense Costs
IL 02 46	09 07	Pennsylvania Changes - Cancellation and Nonrenewal
IL 09 10	12 03	Pennsylvania Notice
MCA 1229	10 16	Amended Exception - Who is an Insured
MCA 1301	05 15	Exclusion - Abuse or Molestation
MDCA 1008	10 16	Commercial Auto Policy Declarations
MJIL 1000	06 10	Market Insurance Company Policy Jacket

THESE DECLARATIONS, TOGETHER WITH THE COMMON POLICY CONDITIONS AND COVERAGE FORM(S) AND ANY ENDORSEMENT(S), COMPLETE THE ABOVE NUMBERED POLICY.

Countersigned:	By:
7/1/2019	<i>Kevin C. Beer</i>

## BUSINESS AUTO 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 V – Definitions.

### SECTION I – COVERED AUTOS

Item Two of the Declarations shows the "autos" that are covered "autos" for each of your coverages. The following numerical symbols describe the "autos" that may be covered "autos". The symbols entered next to a coverage on the Declarations designate the only "autos" that are covered "autos".

#### A. Description Of Covered Auto Designation Symbols

Symbol	Description Of Covered Auto Designation Symbols	
1	Any "Auto"	
2	Owned "Autos" Only	Only those "autos" you own (and for Covered Autos Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" you acquire ownership of after the policy begins.
3	Owned Private Passenger "Autos" Only	Only the private passenger "autos" you own. This includes those private passenger "autos" you acquire ownership of after the policy begins.
4	Owned "Autos" Other Than Private Passenger "Autos" Only	Only those "autos" you own that are not of the private passenger type (and for Covered Autos Liability Coverage any "trailers" you don't own while attached to power units you own). This includes those "autos" not of the private passenger type you acquire ownership of after the policy begins.
5	Owned "Autos" Subject To No-fault	Only those "autos" you own that are required to have no-fault benefits in the state where they are licensed or principally garaged. This includes those "autos" you acquire ownership of after the policy begins provided they are required to have no-fault benefits in the state where they are licensed or principally garaged.
6	Owned "Autos" Subject To A Compulsory Uninsured Motorists Law	Only those "autos" you own that because of the law in the state where they are licensed or principally garaged are required to have and cannot reject Uninsured Motorists Coverage. This includes those "autos" you acquire ownership of after the policy begins provided they are subject to the same state uninsured motorists requirement.
7	Specifically Described "Autos"	Only those "autos" described in Item Three of the Declarations for which a premium charge is shown (and for Covered Autos Liability Coverage any "trailers" you don't own while attached to any power unit described in Item Three).
8	Hired "Autos" Only	Only those "autos" you lease, hire, rent or borrow. This does not include any "auto" you lease, hire, rent or borrow from any of your "employees", partners (if you are a partnership), members (if you are a limited liability company) or members of their households.
9	Non-owned "Autos" Only	Only those "autos" you do not own, lease, hire, rent or borrow that are used in connection with your business. This includes "autos" owned by your "employees", partners (if you are a partnership), members (if you are a limited liability company) or members of their households but only while used in your business or your personal affairs.

<b>19</b>	Mobile Equipment Subject To Compulsory Or Financial Responsibility Or Other Motor Vehicle Insurance Law Only	Only those "autos" that are land vehicles and that would qualify under the definition of "mobile equipment" under this policy if they were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where they are licensed or principally garaged.
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**B. Owned Autos You Acquire After The Policy Begins**

1. If Symbols **1, 2, 3, 4, 5, 6** or **19** are entered next to a coverage in Item Two of the Declarations, then you have coverage for "autos" that you acquire of the type described for the remainder of the policy period.
2. But, if Symbol **7** is entered next to a coverage in Item Two of the Declarations, an "auto" you acquire will be a covered "auto" for that coverage only if:
  - a. We already cover all "autos" that you own for that coverage or it replaces an "auto" you previously owned that had that coverage; and
  - b. You tell us within 30 days after you acquire it that you want us to cover it for that coverage.

**C. Certain Trailers, Mobile Equipment And Temporary Substitute Autos**

If Covered Autos Liability Coverage is provided by this Coverage Form, the following types of vehicles are also covered "autos" for Covered Autos Liability Coverage:

1. "Trailers" with a load capacity of 2,000 pounds or less designed primarily for travel on public roads.
2. "Mobile equipment" while being carried or towed by a covered "auto".
3. Any "auto" you do not own while used with the permission of its owner as a temporary substitute for a covered "auto" you own that is out of service because of its:
  - a. Breakdown;
  - b. Repair;
  - c. Servicing;
  - d. "Loss"; or
  - e. Destruction.

**SECTION II – COVERED AUTOS LIABILITY COVERAGE**

**A. Coverage**

We will pay all sums an "insured" legally must pay as damages because of "bodily injury" or "property damage" to which this insurance applies, caused by an "accident" and resulting from the ownership, maintenance or use of a covered "auto".

We will also pay all sums an "insured" legally must pay as a "covered pollution cost or expense" to which this insurance applies, caused by an "accident" and resulting from the ownership, maintenance or use of covered "autos". However, we will only pay for the "covered pollution cost or expense" if there is either "bodily injury" or "property damage" to which this insurance applies that is caused by the same "accident".

We have the right and duty to defend any "insured" against a "suit" asking for such damages or a "covered pollution cost or expense". However, we have no duty to defend any "insured" against a "suit" seeking damages for "bodily injury" or "property damage" or a "covered pollution cost or expense" to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. Our duty to defend or settle ends when the Covered Autos Liability Coverage Limit of Insurance has been exhausted by payment of judgments or settlements.

**1. Who Is An Insured**

The following are "insureds":

- a. You for any covered "auto".
- b. Anyone else while using with your permission a covered "auto" you own, hire or borrow except:
  - (1) The owner or anyone else from whom you hire or borrow a covered "auto".

This exception does not apply if the covered "auto" is a "trailer" connected to a covered "auto" you own.

- (2) Your "employee" if the covered "auto" is owned by that "employee" or a member of his or her household.
- (3) Someone using a covered "auto" while he or she is working in a business of selling, servicing, repairing, parking or storing "autos" unless that business is yours.
- (4) Anyone other than your "employees", partners (if you are a partnership), members (if you are a limited liability company) or a lessee or borrower or any of their "employees", while moving property to or from a covered "auto".
- (5) A partner (if you are a partnership) or a member (if you are a limited liability company) for a covered "auto" owned by him or her or a member of his or her household.

c. Anyone liable for the conduct of an "insured" described above but only to the extent of that liability.

## 2. Coverage Extensions

### a. Supplementary Payments

We will pay for the "insured":

- (1) All expenses we incur.
- (2) Up to \$2,000 for cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" we cover. We do not have to furnish these bonds.
- (3) The cost of bonds to release attachments in any "suit" against the "insured" we defend, but only for bond amounts within our Limit of Insurance.
- (4) All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$250 a day because of time off from work.
- (5) All court costs taxed against the "insured" in any "suit" against the "insured" we defend. However, these payments do not include attorneys' fees or attorneys' expenses taxed against the "insured".
- (6) All interest on the full amount of any judgment that accrues after entry of the judgment in any "suit" against the "insured" we defend, but our duty to pay interest ends when we have paid, offered to pay or deposited in court the part of the judgment that is within our Limit of Insurance.

These payments will not reduce the Limit of Insurance.

### b. Out-of-state Coverage Extensions

While a covered "auto" is away from the state where it is licensed, we will:

- (1) Increase the Limit of Insurance for Covered Autos Liability Coverage to meet the limits specified by a compulsory or financial responsibility law of the jurisdiction where the covered "auto" is being used. This extension does not apply to the limit or limits specified by any law governing motor carriers of passengers or property.
- (2) Provide the minimum amounts and types of other coverages, such as no-fault, required of out-of-state vehicles by the jurisdiction where the covered "auto" is being used.

We will not pay anyone more than once for the same elements of loss because of these extensions.

## B. Exclusions

This insurance does not apply to any of the following:

### 1. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the "insured".

### 2. Contractual

Liability assumed under any contract or agreement.

But this exclusion does not apply to liability for damages:

- a. 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; or
- b. That the "insured" would have in the absence of the contract or agreement.

### 3. Workers' Compensation

Any obligation for which the "insured" or the "insured's" insurer may be held liable under any workers' compensation, disability benefits or unemployment compensation law or any similar law.

**4. Employee Indemnification And Employer's Liability**

"Bodily injury" to:

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

This exclusion applies:

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

But this exclusion does not apply to "bodily injury" to domestic "employees" not entitled to workers' compensation benefits or to liability assumed by the "insured" under an "insured contract". For the purposes of the Coverage Form, a domestic "employee" is a person engaged in household or domestic work performed principally in connection with a residence premises.

**5. Fellow Employee**

"Bodily injury" to:

- a. Any fellow "employee" of the "insured" arising out of and in the course of the fellow "employee's" employment or while performing duties related to the conduct of your business; or
- b. The spouse, child, parent, brother or sister of that fellow "employee" as a consequence of Paragraph a. above.

**6. Care, Custody Or Control**

"Property damage" to or "covered pollution cost or expense" involving property owned or transported by the "insured" or in the "insured's" care, custody or control. But this exclusion does not apply to liability assumed under a sidetrack agreement.

**7. Handling Of Property**

"Bodily injury" or "property damage" resulting from the handling of property:

- a. Before it is moved from the place where it is accepted by the "insured" for movement into or onto the covered "auto"; or

- b. After it is moved from the covered "auto" to the place where it is finally delivered by the "insured".

**8. Movement Of Property By Mechanical Device**

"Bodily injury" or "property damage" resulting from the movement of property by a mechanical device (other than a hand truck) unless the device is attached to the covered "auto".

**9. Operations**

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

- a. Any equipment listed in Paragraphs 6.b. and 6.c. of the definition of "mobile equipment"; or
- b. Machinery or equipment that is on, 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.

**10. Completed Operations**

"Bodily injury" or "property damage" arising out of your work after that work has been completed or abandoned.

In this exclusion, your work means:

- a. Work or operations performed by you or on your behalf; and
- b. Materials, parts or equipment furnished in connection with such work or operations.

Your work includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in Paragraph a. or b. above.

Your work will be deemed completed at the earliest of the following times:

- (1) When all of the work called for in your contract has been completed;
- (2) When all of the work to be done at the site has been completed if your contract calls for work at more than one site; or
- (3) 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.

## 11. Pollution

"Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- a. That are, or that are contained in any property that is:
  - (1) Being transported or towed by, handled or handled for movement into, onto or from the covered "auto";
  - (2) Otherwise in the course of transit by or on behalf of the "insured"; or
  - (3) Being stored, disposed of, treated or processed in or upon the covered "auto";
- b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or
- c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph a. above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts if:

- (1) The "pollutants" escape, seep, migrate or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and
- (2) The "bodily injury", "property damage" or "covered pollution cost or expense" does not arise out of the operation of any equipment listed in Paragraphs 6.b. and 6.c. of the definition of "mobile equipment".

Paragraphs b. and c. above of this exclusion do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

- (a) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and
- (b) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

## 12. War

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

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

## 13. Racing

Covered "autos" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply while that covered "auto" is being prepared for such a contest or activity.

## C. Limit Of Insurance

Regardless of the number of covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for the total of all damages and "covered pollution cost or expense" combined resulting from any one "accident" is the Limit Of Insurance for Covered Autos Liability Coverage shown in the Declarations.



All "bodily injury", "property damage" and "covered pollution cost or expense" resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one "accident".

No one will be entitled to receive duplicate payments for the same elements of "loss" under this Coverage Form and any Medical Payments Coverage endorsement, Uninsured Motorists Coverage endorsement or Underinsured Motorists Coverage endorsement attached to this Coverage Part.

### **SECTION III – PHYSICAL DAMAGE COVERAGE**

#### **A. Coverage**

1. We will pay for "loss" to a covered "auto" or its equipment under:

##### **a. Comprehensive Coverage**

From any cause except:

- (1) The covered "auto's" collision with another object; or
- (2) The covered "auto's" overturn.

##### **b. Specified Causes Of Loss Coverage**

Caused by:

- (1) Fire, lightning or explosion;
- (2) Theft;
- (3) Windstorm, hail or earthquake;
- (4) Flood;
- (5) Mischief or vandalism; or
- (6) The sinking, burning, collision or derailment of any conveyance transporting the covered "auto".

##### **c. Collision Coverage**

Caused by:

- (1) The covered "auto's" collision with another object; or
- (2) The covered "auto's" overturn.

#### **2. Towing**

We will pay up to the limit shown in the Declarations for towing and labor costs incurred each time a covered "auto" of the private passenger type is disabled. However, the labor must be performed at the place of disablement.

#### **3. Glass Breakage – Hitting A Bird Or Animal – Falling Objects Or Missiles**

If you carry Comprehensive Coverage for the damaged covered "auto", we will pay for the following under Comprehensive Coverage:

- a. Glass breakage;
- b. "Loss" caused by hitting a bird or animal; and
- c. "Loss" caused by falling objects or missiles.

However, you have the option of having glass breakage caused by a covered "auto's" collision or overturn considered a "loss" under Collision Coverage.

#### **4. Coverage Extensions**

##### **a. Transportation Expenses**

We will pay up to \$20 per day, to a maximum of \$600, for temporary transportation expense incurred by you because of the total theft of a covered "auto" of the private passenger type. We will pay only for those covered "autos" for which you carry either Comprehensive or Specified Causes Of Loss Coverage. We will pay for temporary transportation expenses incurred during the period beginning 48 hours after the theft and ending, regardless of the policy's expiration, when the covered "auto" is returned to use or we pay for its "loss".

##### **b. Loss Of Use Expenses**

For Hired Auto Physical Damage, we will pay expenses for which an "insured" becomes legally responsible to pay for loss of use of a vehicle rented or hired without a driver under a written rental contract or agreement. We will pay for loss of use expenses if caused by:

- (1) Other than collision only if the Declarations indicates that Comprehensive Coverage is provided for any covered "auto";
- (2) Specified Causes Of Loss only if the Declarations indicates that Specified Causes Of Loss Coverage is provided for any covered "auto"; or

- (3) Collision only if the Declarations indicates that Collision Coverage is provided for any covered "auto".

However, the most we will pay for any expenses for loss of use is \$20 per day, to a maximum of \$600.

## B. Exclusions

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

### a. Nuclear Hazard

- (1) The explosion of any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination, however caused.

### b. War Or 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.

2. We will not pay for "loss" to any covered "auto" while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. We will also not pay for "loss" to any covered "auto" while that covered "auto" is being prepared for such a contest or activity.

3. We will not pay for "loss" due and confined to:
- a. Wear and tear, freezing, mechanical or electrical breakdown.
- b. Blowouts, punctures or other road damage to tires.

This exclusion does not apply to such "loss" resulting from the total theft of a covered "auto".

4. We will not pay for "loss" to any of the following:
- a. Tapes, records, discs or other similar audio, visual or data electronic devices designed for use with audio, visual or data electronic equipment.

- b. Any device designed or used to detect speed-measuring equipment, such as radar or laser detectors, and any jamming apparatus intended to elude or disrupt speed-measuring equipment.

- c. Any electronic equipment, without regard to whether this equipment is permanently installed, that reproduces, receives or transmits audio, visual or data signals.

- d. Any accessories used with the electronic equipment described in Paragraph c. above.

5. Exclusions 4.c. and 4.d. do not apply to equipment designed to be operated solely by use of the power from the "auto's" electrical system that, at the time of "loss", is:

- a. Permanently installed in or upon the covered "auto";
- b. Removable from a housing unit which is permanently installed in or upon the covered "auto";
- c. An integral part of the same unit housing any electronic equipment described in Paragraphs a. and b. above; or
- d. Necessary for the normal operation of the covered "auto" or the monitoring of the covered "auto's" operating system.

6. We will not pay for "loss" to a covered "auto" due to "diminution in value".

## C. Limits Of Insurance

1. The most we will pay for:

- a. "Loss" to any one covered "auto" is the lesser of:

- (1) The actual cash value of the damaged or stolen property as of the time of the "loss"; or
- (2) The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality.

- b. All electronic equipment that reproduces, receives or transmits audio, visual or data signals in any one "loss" is \$1,000, if, at the time of "loss", such electronic equipment is:

- (1) Permanently installed in or upon the covered "auto" in a housing, opening or other location that is not normally used by the "auto" manufacturer for the installation of such equipment;

- (2) Removable from a permanently installed housing unit as described in Paragraph **b.(1)** above; or
  - (3) An integral part of such equipment as described in Paragraphs **b.(1)** and **b.(2)** above.
2. An adjustment for depreciation and physical condition will be made in determining actual cash value in the event of a total "loss".
  3. If a repair or replacement results in better than like kind or quality, we will not pay for the amount of the betterment.

**D. Deductible**

For each covered "auto", our obligation to pay for, repair, return or replace damaged or stolen property will be reduced by the applicable deductible shown in the Declarations. Any Comprehensive Coverage deductible shown in the Declarations does not apply to "loss" caused by fire or lightning.

**SECTION IV – BUSINESS AUTO CONDITIONS**

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

**A. Loss Conditions**

**1. Appraisal For Physical Damage Loss**

If you and we disagree on the amount of "loss", either may demand an appraisal of the "loss". In this event, each party will select a competent appraiser. The two appraisers will select a competent and impartial umpire. The appraisers will state separately the actual cash value 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 we submit to an appraisal, we will still retain our right to deny the claim.

**2. Duties In The Event Of Accident, Claim, Suit Or Loss**

We have no duty to provide coverage under this policy unless there has been full compliance with the following duties:

- a. In the event of "accident", claim, "suit" or "loss", you must give us or our authorized representative prompt notice of the "accident" or "loss". Include:
  - (1) How, when and where the "accident" or "loss" occurred;

- (2) The "insured's" name and address; and
  - (3) To the extent possible, the names and addresses of any injured persons and witnesses.
- b. Additionally, you and any other involved "insured" must:
    - (1) Assume no obligation, make no payment or incur no expense without our consent, except at the "insured's" own cost.
    - (2) Immediately send us copies of any request, demand, order, notice, summons or legal paper received concerning the claim or "suit".
    - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit".
    - (4) Authorize us to obtain medical records or other pertinent information.
    - (5) Submit to examination, at our expense, by physicians of our choice, as often as we reasonably require.

c. If there is "loss" to a covered "auto" or its equipment, you must also do the following:

- (1) Promptly notify the police if the covered "auto" or any of its equipment is stolen.
- (2) Take all reasonable steps to protect the covered "auto" from further damage. Also keep a record of your expenses for consideration in the settlement of the claim.
- (3) Permit us to inspect the covered "auto" and records proving the "loss" before its repair or disposition.
- (4) Agree to examinations under oath at our request and give us a signed statement of your answers.

**3. Legal Action Against Us**

No one may bring a legal action against us under this Coverage Form until:

- a. There has been full compliance with all the terms of this Coverage Form; and
- b. Under Covered Autos Liability Coverage, we agree in writing that the "insured" has an obligation to pay or until the amount of that obligation has finally been determined by judgment after trial. No one has the right under this policy to bring us into an action to determine the "insured's" liability.

#### **4. Loss Payment – Physical Damage Coverages**

At our option, we may:

- a. Pay for, repair or replace damaged or stolen property;
- b. Return the stolen property, at our expense. We will pay for any damage that results to the "auto" from the theft; or
- c. Take all or any part of the damaged or stolen property at an agreed or appraised value.

If we pay for the "loss", our payment will include the applicable sales tax for the damaged or stolen property.

#### **5. Transfer Of Rights Of Recovery Against Others To Us**

If any person or organization to or for whom we make payment under this Coverage Form has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after "accident" or "loss" to impair them.

### **B. General Conditions**

#### **1. Bankruptcy**

Bankruptcy or insolvency of the "insured" or the "insured's" estate will not relieve us of any obligations under this Coverage Form.

#### **2. Concealment, Misrepresentation Or Fraud**

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

- a. This Coverage Form;
- b. The covered "auto";
- c. Your interest in the covered "auto"; or
- d. A claim under this Coverage Form.

#### **3. Liberalization**

If we revise this Coverage Form to provide more coverage without additional premium charge, your policy will automatically provide the additional coverage as of the day the revision is effective in your state.

#### **4. No Benefit To Bailee – Physical Damage Coverages**

We will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee regardless of any other provision of this Coverage Form.

#### **5. Other Insurance**

- a. For any covered "auto" you own, this Coverage Form provides primary insurance. For any covered "auto" you don't own, the insurance provided by this Coverage Form is excess over any other collectible insurance. However, while a covered "auto" which is a "trailer" is connected to another vehicle, the Covered Autos Liability Coverage this Coverage Form provides for the "trailer" is:

- (1) Excess while it is connected to a motor vehicle you do not own; or
- (2) Primary while it is connected to a covered "auto" you own.

- b. For Hired Auto Physical Damage Coverage, any covered "auto" you lease, hire, rent or borrow is deemed to be a covered "auto" you own. However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".

- c. Regardless of the provisions of Paragraph a. above, this Coverage Form's Covered Autos Liability Coverage is primary for any liability assumed under an "insured contract".

- d. When this Coverage Form and any other Coverage Form or policy covers on the same basis, either excess or primary, we will pay only our share. Our share is the proportion that the Limit of Insurance of our Coverage Form bears to the total of the limits of all the Coverage Forms and policies covering on the same basis.

#### **6. Premium Audit**

- a. The estimated premium for this Coverage Form is based on the exposures you told us you would have when this policy began. We will compute the final premium due when we determine your actual exposures. The estimated total premium will be credited against the final premium due and the first Named Insured will be billed for the balance, if any. The due date for the final premium or retrospective premium is the date shown as the due date on the bill. If the estimated total premium exceeds the final premium due, the first Named Insured will get a refund.
- b. If this policy is issued for more than one year, the premium for this Coverage Form will be computed annually based on our rates or premiums in effect at the beginning of each year of the policy.

**7. Policy Period, Coverage Territory**

Under this Coverage Form, we cover "accidents" and "losses" occurring:

- a. During the policy period shown in the Declarations; and
- b. Within the coverage territory.

The coverage territory is:

- (1) The United States of America;
- (2) The territories and possessions of the United States of America;
- (3) Puerto Rico;
- (4) Canada; and
- (5) Anywhere in the world if a covered "auto" of the private passenger type is leased, hired, rented or borrowed without a driver for a period of 30 days or less,

provided that the "insured's" responsibility to pay damages is determined in a "suit" on the merits, in the United States of America, the territories and possessions of the United States of America, Puerto Rico or Canada, or in a settlement we agree to.

We also cover "loss" to, or "accidents" involving, a covered "auto" while being transported between any of these places.

**8. Two Or More Coverage Forms Or Policies Issued By Us**

If this Coverage Form and any other Coverage Form or policy issued to you by us or any company affiliated with us applies to the same "accident", the aggregate maximum Limit of Insurance under all the Coverage Forms or policies shall not exceed the highest applicable Limit of Insurance under any one Coverage Form or policy. This condition does not apply to any Coverage Form or policy issued by us or an affiliated company specifically to apply as excess insurance over this Coverage Form.

**SECTION V – DEFINITIONS**

- A. "Accident" includes continuous or repeated exposure to the same conditions resulting in "bodily injury" or "property damage".
- B. "Auto" means:
  - 1. A land motor vehicle, "trailer" or semitrailer designed for travel on public roads; or

- 2. 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".

- C. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these.
- D. "Covered pollution cost or expense" means any cost or expense arising out of:

- 1. 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
- 2. Any 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".

"Covered pollution cost or expense" does not include any cost or expense arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- a. That are, or that are contained in any property that is:
  - (1) Being transported or towed by, handled or handled for movement into, onto or from the covered "auto";
  - (2) Otherwise in the course of transit by or on behalf of the "insured"; or
  - (3) Being stored, disposed of, treated or processed in or upon the covered "auto";
- b. Before the "pollutants" or any property in which the "pollutants" are contained are moved from the place where they are accepted by the "insured" for movement into or onto the covered "auto"; or
- c. After the "pollutants" or any property in which the "pollutants" are contained are moved from the covered "auto" to the place where they are finally delivered, disposed of or abandoned by the "insured".

Paragraph **a.** above does not apply to fuels, lubricants, fluids, exhaust gases or other similar "pollutants" that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered "auto" or its parts, if:

- (1) The "pollutants" escape, seep, migrate or are discharged, dispersed or released directly from an "auto" part designed by its manufacturer to hold, store, receive or dispose of such "pollutants"; and
- (2) The "bodily injury", "property damage" or "covered pollution cost or expense" does not arise out of the operation of any equipment listed in Paragraph **6.b.** or **6.c.** of the definition of "mobile equipment".

Paragraphs **b.** and **c.** above do not apply to "accidents" that occur away from premises owned by or rented to an "insured" with respect to "pollutants" not in or upon a covered "auto" if:

- (a) The "pollutants" or any property in which the "pollutants" are contained are upset, overturned or damaged as a result of the maintenance or use of a covered "auto"; and
- (b) The discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused directly by such upset, overturn or damage.

- E.** "Diminution in value" means the actual or perceived loss in market value or resale value which results from a direct and accidental "loss".
- F.** "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
- G.** "Insured" means any person or organization qualifying as an insured in the Who Is An Insured provision of the applicable coverage. Except with respect to the Limit of Insurance, the coverage afforded applies separately to each insured who is seeking coverage or against whom a claim or "suit" is brought.
- H.** "Insured contract" means:
1. A lease of premises;
  2. A sidetrack agreement;
  3. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
  4. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;

5. 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 to pay for "bodily injury" or "property damage" to a third party or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement; or
6. That part of any contract or agreement entered into, as part of your business, pertaining to the rental or lease, by you or any of your "employees", of any "auto". However, such contract or agreement shall not be considered an "insured contract" to the extent that it obligates you or any of your "employees" to pay for "property damage" to any "auto" rented or leased by you or any of your "employees".

An "insured contract" does not include that part of any contract or agreement:

- a. That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
  - b. That pertains to the loan, lease or rental of an "auto" to you or any of your "employees", if the "auto" is loaned, leased or rented with a driver; or
  - c. That holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of a covered "auto" over a route or territory that person or organization is authorized to serve by public authority.
- I.** "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".
- J.** "Loss" means direct and accidental loss or damage.
- K.** "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
1. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
  2. Vehicles maintained for use solely on or next to premises you own or rent;
  3. Vehicles that travel on crawler treads;

4. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
  - a. Power cranes, shovels, loaders, diggers or drills; or
  - b. Road construction or resurfacing equipment such as graders, scrapers or rollers;
5. Vehicles not described in Paragraph 1., 2., 3. or 4. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
  - a. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well-servicing equipment; or
  - b. Cherry pickers and similar devices used to raise or lower workers; or
6. Vehicles not described in Paragraph 1., 2., 3. or 4. 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":
  - a. Equipment designed primarily for:
    - (1) Snow removal;
    - (2) Road maintenance, but not construction or resurfacing; or
    - (3) Street cleaning;
  - b. Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
  - c. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting or well-servicing equipment.

However, "mobile equipment" does not include land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance 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".

- L. "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.
- M. "Property damage" means damage to or loss of use of tangible property.
- N. "Suit" means a civil proceeding in which:
  1. Damages because of "bodily injury" or "property damage"; or
  2. A "covered pollution cost or expense";
 to which this insurance applies, are alleged.  
 "Suit" includes:
  - a. An arbitration proceeding in which such damages or "covered pollution costs or expenses" 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 or "covered pollution costs or expenses" are claimed and to which the insured submits with our consent.
- O. "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.
- P. "Trailer" includes semitrailer.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **PENNSYLVANIA CHANGES**

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

### **A. Changes In Covered Autos Liability Coverage**

The following is added to Paragraph **2.a. Supplementary Payments:**

Prejudgment interest awarded against the "insured" on the part of the judgment we pay. Any prejudgment interest awarded against the "insured" is subject to the applicable Pennsylvania Rules of Civil Procedure.

### **B. Changes In Conditions**

1. Paragraph **2.b.(5)** of the **Duties In The Event Of An Accident, Claim, Suit Or Loss** Condition is replaced by the following:

**(5)** After we show good cause, submit to examination at our expense, by physicians of our choice.

2. The following is added to Paragraph **5. Transfer Of Rights Of Recovery Against Others To Us** Condition:

If we make any payment due to an "accident" and the "insured" recovers from another party in a separate claim or "suit", the "insured" shall hold the proceeds in trust for us and pay us back the amount we have paid less reasonable attorneys' fees, costs and expenses incurred by the "insured" to the extent such payment duplicates any amount we have paid under this coverage.

3. The following is added to Paragraph **B. General Conditions:**

#### **Constitutionality Clause**

The premium for, and the coverages of, this Coverage Form have been established in reliance upon the provisions of the Pennsylvania Motor Vehicle Financial Responsibility Law. In the event a court, from which there is no appeal, declares or enters a judgment, the effect of which is to render the provisions of such statute invalid or unenforceable in whole or in part, we shall have the right to recompute the premium payable for the Coverage Form and void or amend the provisions of the Coverage Form, subject to the approval of the Insurance Commissioner.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EMPLOYEE HIRED AUTOS**

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM  
BUSINESS AUTO COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

### **A. Changes In Covered Autos Liability Coverage**

The following is added to the **Who Is An Insured** Provision:

An "employee" of yours is an "insured" while operating an "auto" hired or rented under a contract or agreement in an "employee's" name, with your permission, while performing duties related to the conduct of your business.

### **B. Changes In General Conditions**

Paragraph **5.b.** of the **Other Insurance** Condition in the Business Auto and Auto Dealers Coverage Forms and Paragraph **5.f.** of the **Other Insurance – Primary And Excess Insurance Provisions** Condition in the Motor Carrier Coverage Form are replaced by the following:

For Hired Auto Physical Damage Coverage, the following are deemed to be covered "autos" you own:

1. Any covered "auto" you lease, hire, rent or borrow; and

2. Any covered "auto" hired or rented by your "employee" under a contract in an "employee's" name, with your permission, while performing duties related to the conduct of your business.

However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **FELLOW EMPLOYEE COVERAGE**

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM  
BUSINESS AUTO COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

The **Fellow Employee** Exclusion contained under the **Covered Autos Liability Coverage** does not apply.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXPLOSIVES**

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

**Covered Autos Liability Coverage** is changed by adding the following exclusion:

This insurance does not apply to:

"Bodily injury" or "property damage" caused by the explosion of explosives you make, sell or transport.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EXCLUSION OF TERRORISM**

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM  
BUSINESS AUTO COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM  
SINGLE INTEREST AUTOMOBILE PHYSICAL DAMAGE INSURANCE POLICY

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

**A.** The following definitions are added and apply under this endorsement wherever the term terrorism, or the phrase any injury, damage, loss or expense, is 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 apply:

- (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, damage, loss or expense" means any injury, damage, loss or expense covered under any Coverage Form or Policy to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage", "personal and advertising injury", "loss", loss of use, rental reimbursement after "loss" or "covered pollution cost or expense", as may be defined under this Coverage Form, Policy or any applicable endorsement.

**B.** Except with respect to Physical Damage Coverage, Trailer Interchange Coverage, Garagekeepers Coverage, Garagekeepers Coverage – Customers' Sound Receiving Equipment or the Single Interest Automobile Physical Damage Insurance Policy, the following exclusion is added:

### **Exclusion Of Terrorism**

We will not pay for "any injury, damage, loss or expense" caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". "Any injury, damage, loss or expense" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to such injury, damage, loss or expense. **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 **B.5.** and **B.6.** are exceeded.

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

- C. With respect to Physical Damage Coverage, Trailer Interchange Coverage, Garagekeepers Coverage, Garagekeepers Coverage – Customers' Sound Receiving Equipment or the Single Interest Automobile Physical Damage Insurance Policy, the following exclusion is added:

**Exclusion Of Terrorism**

We will not pay for any "loss", loss of use or rental reimbursement after "loss" caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". **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.

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

With respect to this exclusion, Paragraph **C.5.** describes the threshold used to measure the magnitude of an incident of "terrorism" and the circumstances in which the threshold will apply, for the purpose of determining whether this exclusion will apply to that incident. When the exclusion applies to an incident of "terrorism", there is no coverage under this Coverage Form, Policy or any applicable endorsement.

**D.** In the event of any incident of "terrorism" that is not subject to the exclusion in Paragraph **B.** or **C.**, coverage does not apply to "any injury, damage, loss or expense" that is otherwise excluded under this Coverage Form, Policy or any applicable endorsement.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **SILICA OR SILICA-RELATED DUST EXCLUSION FOR COVERED AUTOS EXPOSURE**

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM  
BUSINESS AUTO COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

**A. The following exclusion is added to Covered Autos Liability Coverage:**

**Silica Or Silica-related Dust Exclusion For Covered Autos Exposure**

This insurance does not apply to:

1. "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".
2. "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".

3. 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. Additional Definitions**

As used in this endorsement:

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.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EMPLOYEES AS INSUREDS**

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

The following is added to the **Section II – Covered Autos Liability Coverage**, Paragraph **A.1. Who Is An Insured** provision:

Any "employee" of yours is an "insured" while using a covered "auto" you don't own, hire or borrow in your business or your personal affairs.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **SOCIAL SERVICE AGENCIES – VOLUNTEERS AS INSUREDS**

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

The following is added to the **Who Is An Insured** provision under **Covered Autos Liability Coverage**:

Anyone volunteering services to you is an "insured" while using a covered "auto" you don't own, hire or borrow to transport your clients or other persons in activities necessary to your business. Anyone else who furnishes that "auto" is also an "insured".

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CALCULATION OF PREMIUM**

This endorsement modifies insurance provided under the following:

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

The following is added:

The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation, or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

## 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.**

## **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.**

## **PENNSYLVANIA 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 – MORTGAGEHOLDER'S ERRORS AND OMISSIONS  
 COVERAGE FORM  
 ELECTRONIC DATA LIABILITY COVERAGE PART  
 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, Electronic Data Liability, Employment-related Practices Liability, Farm, Liquor Liability, Medical Professional Liability, Owners And Contractors Protective Liability, Pollution Liability, Product Withdrawal, Products/Completed Operations Liability, Railroad Protective Liability and 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 Mortgageholder's 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 none of the claims ("claims"), for which we provided a defense or defense costs, are covered under this insurance, we have the right to reimbursement for the defense costs we have incurred.
- The right to reimbursement under this provision will only apply to the 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 or the payment of defense costs and to seek reimbursement for defense costs.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **PENNSYLVANIA CHANGES – CANCELLATION AND NONRENEWAL**

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
 COMMERCIAL AUTOMOBILE COVERAGE PART  
 COMMERCIAL GENERAL LIABILITY COVERAGE PART  
 COMMERCIAL INLAND MARINE COVERAGE PART  
 COMMERCIAL LIABILITY UMBRELLA COVERAGE PART  
 COMMERCIAL PROPERTY COVERAGE PART  
 CRIME AND FIDELITY COVERAGE PART  
 EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART  
 EQUIPMENT BREAKDOWN COVERAGE PART  
 FARM COVERAGE PART  
 FARM UMBRELLA LIABILITY POLICY  
 LIQUOR LIABILITY COVERAGE PART  
 POLLUTION LIABILITY COVERAGE PART  
 PRODUCTS/COMPLETED OPERATIONS LIABILITY 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 writing or giving notice of cancellation.

**2. Cancellation Of Policies In Effect For Less Than 60 Days**

We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least 30 days before the effective date of cancellation.

**3. Cancellation Of Policies In Effect For 60 Days Or More**

If this policy has been in effect for 60 days or more or if this policy is a renewal of a policy we issued, we may cancel this policy only for one or more of the following reasons:

**a.** You have made a material misrepresentation which affects the insurability of the risk. Notice of cancellation will be mailed or delivered at least 15 days before the effective date of cancellation.

**b.** You have failed to pay a premium when due, whether the premium is payable directly to us or our agents or indirectly under a premium finance plan or extension of credit. Notice of cancellation will be mailed at least 15 days before the effective date of cancellation.

**c.** A condition, factor or loss experience material to insurability has changed substantially or a substantial condition, factor or loss experience material to insurability has become known during the policy period. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.

**d.** Loss of reinsurance or a substantial decrease in reinsurance has occurred, which loss or decrease, at the time of cancellation, shall be certified to the Insurance Commissioner as directly affecting in-force policies. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.

- e. Material failure to comply with policy terms, conditions or contractual duties. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.
- f. Other reasons that the Insurance Commissioner may approve. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.

This policy may also be cancelled from inception upon discovery that the policy was obtained through fraudulent statements, omissions or concealment of facts material to the acceptance of the risk or to the hazard assumed by us.

- 4. We will mail or deliver our notice to the first Named Insured's last mailing address known to us. Notice of cancellation will state the specific reasons for cancellation.
- 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 and will be returned within 10 business days after the effective date of cancellation. If the first Named Insured cancels, the refund may be less than pro rata and will be returned within 30 days after the effective date of cancellation. The cancellation will be effective even if we have not made or offered a refund.

- 7. If notice is mailed, it will be by registered or first class mail. Proof of mailing will be sufficient proof of notice.

- B. The following are added and supersede any provisions to the contrary:

- 1. **Nonrenewal**

If we decide not to renew this policy, we will mail or deliver written notice of nonrenewal, stating the specific reasons for nonrenewal, to the first Named Insured at least 60 days before the expiration date of the policy.

- 2. **Increase Of Premium**

If we increase your renewal premium, we will mail or deliver to the first Named Insured written notice of our intent to increase the premium at least 30 days before the effective date of the premium increase.

Any notice of nonrenewal or renewal premium increase will be mailed or delivered to the first Named Insured's last known address. If notice is mailed, it will be by registered or first class mail. Proof of mailing will be sufficient proof of notice.



## PENNSYLVANIA NOTICE

An Insurance Company, its agents, employees, or service contractors acting on its behalf, may provide services to reduce the likelihood of injury, death or loss. These services may include any of the following or related services incident to the application for, issuance, renewal or continuation of, a policy of insurance:

1. Surveys;
2. Consultation or advice; or
3. Inspections.

The "Insurance Consultation Services Exemption Act" of Pennsylvania provides that the Insurance Company, its agents, employees or service contractors acting on its behalf, is not liable for damages from injury, death or loss occurring as a result of any act or omission by any person in the furnishing of or the failure to furnish these services.

The Act does not apply:

1. If the injury, death or loss occurred during the actual performance of the services and was caused by the negligence of the Insurance Company, its agents, employees or service contractors;
2. To consultation services required to be performed under a written service contract not related to a policy of insurance; or
3. If any acts or omissions of the Insurance Company, its agents, employees or service contractors are judicially determined to constitute a crime, actual malice, or gross negligence.

### Instruction to Policy Writers

Attach the Pennsylvania Notice to all new and renewal certificates insuring risks located in Pennsylvania.



## MARKEL INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### AMENDED EXCEPTION – WHO IS AN INSURED

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

Paragraph **b.(1)** under Section II – Covered Autos Liability Coverage, **A.1. Who Is An Insured** is replaced by the following:

**b.** Anyone else while using with your permission a covered "auto" you own, hire or borrow except:

- (1)** The owner or anyone else from whom you hire or borrow a covered "auto", directly or indirectly, including any employee, agent, or driver of either.

This exception does not apply if the covered "auto" is a "trailer" connected to a covered "auto" you own.

All other terms and conditions remain unchanged.



## MARKEL INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### EXCLUSION – ABUSE OR MOLESTATION

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM  
BUSINESS AUTO COVERAGE FORM

The following Exclusion is added to the Covered Autos Liability Coverage section:

This insurance does not apply to any of the following:

#### **Abuse Or Molestation**

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

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

of a person for whom any "insured" is or ever was legally responsible and whose conduct would be excluded by Paragraph a. above.

All other terms and conditions remain unchanged.



First and foremost, I want to sincerely thank you for choosing Wright Specialty Insurance to serve your insurance needs. We truly appreciate your business and the continued trust you have placed in our organization.

As always, our objective is providing the superior insurance coverage and services that your institution deserves. In order to maintain our strong relationship going forward, we are keenly aware that it is imperative we continue to distinguish ourselves by providing the best insurance coverage possible, delivering exceptional risk management services, and offering the highest level of customer service the industry has to offer.

If there is ever a time you need my personal assistance or have any other questions or concerns, please do not hesitate to ask. I can be reached directly at (516) 944-2826. Again, thank you for continuing your partnership with Wright Specialty Insurance. My colleagues and I look forward to supporting your sustained success.

Sincerely,

A handwritten signature in black ink that reads "Kevin C. Beer".

Kevin C. Beer  
President  
Wright Specialty Insurance



**Markel Insurance Company**

Ten Parkway North  
Deerfield, Illinois 60015  
(800) 431-1270

**INSURANCE POLICY**

Coverage afforded by this policy is provided by the Company (Insurer) and named in the Declarations.

In **Witness Whereof**, the company (insurer) has caused this policy to be executed and attested and countersigned by a duly authorized representative of the company (insurer) identified in the Declarations.

*Richard R. Ginnman*  
Secretary

*Ray W. Sales*  
President



**Phone: 1-877-976-2111**

**Fax: 1-516-222-5392**

**Wright Specialty Underwriting Team**

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**Wright Specialty Client Services Team**

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Lynda Cicciari	Client Services Assistant	(516) 750-3928 <a href="mailto:lcicciari@wrightinsurance.com">lcicciari@wrightinsurance.com</a>
Cheryl Stone	Client Services Assistant	(516) 944-2803 <a href="mailto:cstone@wrightinsurance.com">cstone@wrightinsurance.com</a>

All endorsement requests should be sent to our dedicated email address - [endorsements@wrightinsurance.com](mailto:endorsements@wrightinsurance.com)

Please be sure to forward all new business submissions to our dedicated email address [Submissions@wrightinsurance.com](mailto:Submissions@wrightinsurance.com) to avoid any delay in assigning for your office.

1-877-976-2111 phone  
1-516-222-5392 fax  
[claims@wrightinsurance.com](mailto:claims@wrightinsurance.com)

**EMERGENCY HOTLINE USE FOR NON-BUSINESS HOURS**  
**1-800-749-0948**

**Wright Specialty Claims Division**

Ronald Falcone	Senior Vice President, Claims	(516) 750-9477 <a href="mailto:rfalcone@wrightinsurance.com">rfalcone@wrightinsurance.com</a>
Kristine Freed	Casualty Claims Team Leader	(516) 750-9356 <a href="mailto:kkatt@wrightinsurance.com">kkatt@wrightinsurance.com</a>
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Vonette Permaul	Claims Assistant	(516) 750-3964 <a href="mailto:vpermaul@wrightinsurance.com">vpermaul@wrightinsurance.com</a>

**NOTE:** Please submit to [claims@wrightinsurance.com](mailto:claims@wrightinsurance.com) or fax (516) 222-5392

All endorsement requests should be sent to our dedicated email address - [endorsements@wrightinsurance.com](mailto:endorsements@wrightinsurance.com)

Please be sure to forward all new business submissions to our dedicated email address  
[Submissions@wrightinsurance.com](mailto:Submissions@wrightinsurance.com) to avoid any delay in assigning for your office.



## **CLAIM REPORTING OVERVIEW**

No one likes to suffer an insured loss, but when you do Wright Specialty Insurance wants to make the process as easy as possible. The most important consideration in reporting a claim is to notify Wright Specialty Insurance as soon as practically possible. Prompt and proper claim reporting enables Wright Specialty Insurance claim staff to effectively react to all claim referrals. Supporting documentation at the time of the claim submission allows for the timely processing of all such matters.

## ***EMERGENCY CLAIM REPORTING***

An Emergency 24 hour phone number is available should the need arise to report an emergency claim outside normal office hours, weekends or holidays. A bulletin explaining the service is included in the following section. For reporting claims during regular business hours, please submit by email to [claims@wrightinsurance.com](mailto:claims@wrightinsurance.com) or by facsimile to 1 516 222-5392.

## ***AUTOMOBILE LOSS REPORTING***

Upon notification of an accident involving an insured owned vehicle, the following documentation should be provided:

- police report
- state mandated accident report(s)
- statement from insured vehicle operator repair estimates

All property damage claims involving damage to an insured vehicle only must be reported immediately. The claim submission should identify the make, license and VIN number of vehicle(s) involved. Any loss involving property damage to the insured vehicle only which will not exceed the policy deductible need not be reported. Claims involving damages to other properties must be reported.

Most automobile claims involving bodily injury or property damage require the completion of a state report. This document should be completed by the vehicle operator (as opposed to the transportation supervisor). The report - and only this report - should be sent to the Department of Motor Vehicles. The claim submission should then include the report, and the outline referenced above.

## ***PROPERTY LOSS REPORTING***

Property losses can be reported with the enclosed PROPERTY LOSS NOTICE form.

This form was created for the purposes of reporting those claims involving property losses. The claim submission should include the completed form, and all supporting documentation including repair estimates, and original and replacement invoices. All vandalism and theft claim submissions should also be accompanied by a policy report. Any property loss requiring a scene inspection should be reported immediately by telephone or via e-mail.

## ***INLAND MARINE LOSSES***

Wright Specialty Insurance insureds have an option to purchase Inland Marine coverage for certain types of personal property as an increased source of property protection. Your Schedule of Coverages identifies those properties covered by Inland Marine. These specifically scheduled riders (see your schedule of insurance) are written through Wright Specialty Insurance, and maintain a lower deductible than the overall property policy

**NOTE:** Please submit to [claims@wrightinsurance.com](mailto:claims@wrightinsurance.com) or fax (516) 222-5392

All endorsement requests should be sent to our dedicated email address - [endorsements@wrightinsurance.com](mailto:endorsements@wrightinsurance.com)

Please be sure to forward all new business submissions to our dedicated email address [Submissions@wrightinsurance.com](mailto:Submissions@wrightinsurance.com) to avoid any delay in assigning for your office.





Each subscriber has been provided with an Inland Marine Loss form. This form was created for the purpose of reporting those losses where coverage exists under the Inland Marine policy. The submission of all supporting documents with the claim referral will assist in the processing of the loss.

### ***PREMISES/GENERAL LIABILITY LOSS REPORTING***

Any incident involving serious bodily injury or property damages should be reported as soon as possible by telephone, facsimile transmission, or e-mail.

Any NOTICE OF CLAIM/NOTICE OF INTENT should be forwarded immediately. The submission of these documents should include the insured's knowledge of the incident that gives rise to the action alleged in the claim document, a copy of any internal incident report, and copies of any contractual and/or insuring agreements involving outside entities connected to the incident giving rise to this claim. The insured should identify the date and method of service of the document, and upon whom the service was effected. In those instances where the claim document was served by mail, the claim referral should include the envelope in which the insured received the document. Acknowledgements of all claim submissions are sent to the insured and/or the insured's agent.

Any SUMMONS and COMPLAINT should be forwarded immediately. Rarely is a SUMMONS the insured's first knowledge of a claim. In those instances where it is, the reporting procedures are identical to those involving receipt of a NOTICE OF CLAIM/NOTICE OF INTENT. The date, method of service, and the individual upon whom the SUMMONS was served should be identified in the insured's referral of the document. Acknowledgements of all such claim submissions will be sent to the broker.

Communication channels should be established at each insured assuring that their personnel do not discuss any facet of any claim with anyone other than a representative of Wright Specialty Insurance, and the defense counsel and investigators who have been retained to protect their interests. We anticipate the insured's cooperation in the handling and defense of these actions.

### ***EDUCATORS LEGAL/EMPLOYMENT PRACTICES LOSS REPORTING***

Your Educators Legal Liability (ELL) policy provides coverage on a claims-made basis. It is important to timely report all claims, as well as potential claims. Please submit all NOTICES OF CLAIM/NOTICES OF INTENT and SUMMONS and COMPLAINTS. Further, please report any administrative complaints or filings (for example, EEOC, US Office of Civil Rights), and please notify Wright Specialty Insurance if you should receive any written or verbal threats of litigation. You do not need to report every internal harassment complaint, however, if there is attorney representation or threat of litigation, please notify us. For all claims reports please provide the name of the employee or student involved (initials are sufficient if there are confidentiality concerns) as well as a copy of the claim documents. We will contact you if we need more information.

**NOTE:** Please submit to [claims@wrightinsurance.com](mailto:claims@wrightinsurance.com) or fax (516) 222-5392

All endorsement requests should be sent to our dedicated email address - [endorsements@wrightinsurance.com](mailto:endorsements@wrightinsurance.com)

Please be sure to forward all new business submissions to our dedicated email address [Submissions@wrightinsurance.com](mailto:Submissions@wrightinsurance.com) to avoid any delay in assigning for your office.



## **NOTE TOLL-FREE CLAIM EMERGENCY NUMBER (See below)**

To: All Insureds

From: Ronald Falcone, Senior Vice President, Claims

### **RE: Wright Specialty Insurance 24-Hour Emergency Hotline – New Toll-Free Number**

Wright Specialty Insurance has a 24-hour emergency claims hotline available during non-business hours. This claim hotline further enhances the claims service that Wright Specialty Insurance provides to its insureds by creating a mechanism to respond to claim emergencies after business hours.

The Hotline provides subscribers with after hours, weekend, and holiday access to Wright Specialty Insurance claims professionals in the event of serious or catastrophic losses, which require immediate attention. At no time will a subscriber be unable to contact us when a claim emergency occurs.

The Hotline should be used to report serious fires, hurricane or windstorm losses or incidents involving multiple injuries or deaths which require immediate on the scene investigations (i.e. catastrophic bus accidents, bleacher collapses, civil unrest, etc.). Calling the service will result in a prompt return telephone call from a Wright Specialty Insurance claim professional who will evaluate the situation and assign the necessary experts to assist in the loss.

If you have an emergency during non-business hours, simply call “The Emergency Hotline” and report the loss. During normal business hours please call our office at 877-976-2111.

Obviously, we hope there isn't a great demand for this service. However, if there is a need, our staff will be ready to assist you in any possible way.

Please keep this number handy for quick after-hours access in the event of an emergency:

**Emergency Hotline #: 1-800-749-0948**

**NOTE:** Please submit to [claims@wrightinsurance.com](mailto:claims@wrightinsurance.com) or fax (516) 222-5392

All endorsement requests should be sent to our dedicated email address - [endorsements@wrightinsurance.com](mailto:endorsements@wrightinsurance.com)

Please be sure to forward all new business submissions to our dedicated email address [Submissions@wrightinsurance.com](mailto:Submissions@wrightinsurance.com) to avoid any delay in assigning for your office.



## **PROPERTY LOSSES**

1. Report all losses as soon as possible
2. Use attached Property Loss Notice form for reporting purposes. Submit any documentation to support claim.
3. Protect and preserve the property from further loss.
4. Report vandalism and theft losses to Police Department.
5. Report all losses as soon as possible to:
  - i. [claims@wrightinsurance.com](mailto:claims@wrightinsurance.com)
  - ii. Wright Specialty Insurance  
333 Earle Ovington Boulevard, Suite 505  
Uniondale, NY 11553-3624
  - iii. If this is an urgent matter during regular business hours (8:30AM - 4:30PM EST),  
Please call (877) 976-2111.
  - iv. If this is an urgent matter and you require immediate assistance during non-business hours, please call the  
emergency call center at (800) 749-0948.

**NOTE:** Please submit to [claims@wrightinsurance.com](mailto:claims@wrightinsurance.com) or fax (516) 222-5392

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## **AUTOMOBILE CLAIMS**

Upon notification to the insured of an accident involving an insured-owned vehicle, the following procedures should be followed:

1. Obtain all pertinent information as soon as possible to include:
  - a) Police Report
  - b) State mandated Accident Report
  - c) Statements from drivers and witnesses (if possible)
  - d) Estimates of repair
2. Determine the degree of injuries to all involved (if any)
3. If accident is deemed to be severe in nature, i.e. involving multiple vehicles, or if there are serious or multiple injuries, please call immediately, 1-877-976-2111
4. Send via mail all above information to:

Wright Specialty Insurance  
333 Earle Ovington Boulevard, Suite 505  
Uniondale, New York 11553-3624  
[claims@wrightinsurance.com](mailto:claims@wrightinsurance.com)
5. Upon receipt of all pertinent information, Wright Specialty Insurance will contact the insured to discuss any additional procedures.

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## PROPERTY LOSS NOTICE

INSURED: \_\_\_\_\_

DATE OF OCCURRENCE: \_\_\_\_\_ TIME: \_\_\_\_\_

DATE REPORTED: \_\_\_\_\_ REPORTED BY: \_\_\_\_\_

CONTACT PERSON: \_\_\_\_\_ PHONE #: \_\_\_\_\_

LOCATION OF LOSS: \_\_\_\_\_

KIND OF LOSS (Fire, Wind, Explosion, Etc.): \_\_\_\_\_

DESCRIPTION OF LOSS AND DAMAGE (Use reverse side if necessary):

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

POLICE AND / OR FIRE DEPARTMENT RESPONDING: \_\_\_\_\_

PROBABLE AMOUNT OF ENTIRE LOSS: \_\_\_\_\_

REMARKS: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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# INLAND MARINE NOTICE OF LOSS

Date: \_\_\_\_\_

Policy #: \_\_\_\_\_ Date of loss: \_\_\_\_\_

Insured: \_\_\_\_\_

Time of Loss: \_\_\_\_\_ Reported to Police: Yes (     ) No (     )

Police Station: \_\_\_\_\_ Police Complaint #: \_\_\_\_\_

Location: \_\_\_\_\_

Description of occurrence: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

<u># of Articles</u>	<u>Description of Article</u>	<u>Date Purchased</u>	<u>Purchase Price</u>	<u>Replacement Cost</u>
----------------------	-------------------------------	-----------------------	-----------------------	-------------------------


Note: Submission should include copy of replacement invoice and or original purchase invoice.

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## **AUTO LOSS NOTICE**

INSURED \_\_\_\_\_  
CONTACT PERSON \_\_\_\_\_ PHONE \_\_\_\_\_  
DATE OF ACCIDENT \_\_\_\_\_ TIME \_\_\_\_\_  
LOCATION OF ACCIDENT \_\_\_\_\_

DESCRIPTION OF ACCIDENT \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

INSURED DRIVER NAME \_\_\_\_\_

YEAR, MAKE, MODEL OF INSURED VEHICLE \_\_\_\_\_  
VEHICLE ID NUMBER \_\_\_\_\_ PLATE NUMBER \_\_\_\_\_  
DESCRIBE DAMAGE TO INSURED VEHICLE \_\_\_\_\_

POLICE DEPARTMENT RESPONDING \_\_\_\_\_

**OTHER VEHICLE**

OWNER'S ADDRESS \_\_\_\_\_ NAME \_\_\_\_\_  
DRIVER'S NAME \_\_\_\_\_

YEAR, MAKE, MODEL, PLATE NUMBER \_\_\_\_\_  
DESCRIBE DAMAGE TO OTHER VEHICLE \_\_\_\_\_  
INSURANCE INFORMATION \_\_\_\_\_

**MISCELLANEOUS**

IDENTIFY INJURED PARTIES \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

IDENTIFY WITNESSES:  
NAME \_\_\_\_\_ PHONE \_\_\_\_\_  
ADDRESS \_\_\_\_\_

ATTACH A COPY OF POLICE REPORT AND DRIVER'S STATEMENT IF AVAILABLE.

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# LEGAL DOCUMENT TRANSMITTAL

DOCUMENT TYPE: \_\_\_\_\_

**1. WHEN**

- Date received at subscriber \_\_\_\_\_ Time \_\_\_\_\_
- Who received/signed for document \_\_\_\_\_
- Title \_\_\_\_\_

**2. HOW (Check appropriate box)**

- Regular Mail
- Registered Mail
- Certified Mail
- Personal Delivery by adult
- Other (Explain)

\_\_\_\_\_  
\_\_\_\_\_

**3. ORIGINAL ENVELOPE ATTACHED:**  YES  NO

**4. QUESTIONNAIRE COMPLETED BY:**

- Name: \_\_\_\_\_
- Title: \_\_\_\_\_
- Date: \_\_\_\_\_

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Dear New Wright Specialty Insurance Client:

Thank you for choosing Wright Specialty Insurance as your institution's property and casualty insurer. We appreciate your trust in our company.

In addition to standard claims management and client services, our policyholders have access to risk management services that specialize in educational risk. We would like to offer that service to you.

Wright Specialty Insurance recognizes that promoting accident prevention is everyone's goal. Fewer accidents result in fewer claims and lawsuits, better loss experience and less reputation risk.

Enclosed is a list of the valuable services you can draw upon to address the risks and exposures faced by educational institutions. They are included with your premium. Our considerable experience addressing and mitigating loss in the educational community affords us the opportunity to assist you in creating a safe and secure environment for your students, staff, visitors and others.

Should you have any questions or concerns with an on-going or potential issue please contact us.

Once again, thank you for joining Wright Specialty Insurance.

Regards,

Andrew L. Graham, ARM  
Managing Director  
Risk Management Services  
Direct Line: 516 750-3953  
[agraham@wrightinsurance.com](mailto:agraham@wrightinsurance.com)

Stephen J. Cerro, MS, CPSI, ARM  
Risk Control Coordinator  
Risk Management Services  
Direct Line: 920 979-9760  
[scerro@wrightinsurance.com](mailto:scerro@wrightinsurance.com)

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## Wright Specialty Insurance

### **Risk Management Primary Contacts**

Andrew Graham, ARM	<b>Managing Director Risk Management Services</b>	(516) 750-3953 <a href="mailto:agraham@wrightinsurance.com">agraham@wrightinsurance.com</a>
Stephen Cerro, MS, CPSI, ARM	<b>Risk Control Coordinator Midwest</b>	(920) 979-9760 <a href="mailto:scerro@wrightinsurance.com">scerro@wrightinsurance.com</a>
Elaine Horne, CRM, ARM, CSR	<b>Senior Risk Control Specialist Southeast Region</b>	(678) 822-2094 <a href="mailto:ehorne@wrightinsurance.com">ehorne@wrightinsurance.com</a>
Scott Wells, ALCM, CPP	<b>Senior Risk Control Specialist West Region</b>	(303) 328-8660 <a href="mailto:swells@wrightinsurance.com">swells@wrightinsurance.com</a>
Jonathan Stephens, ARM, AIC, AIS	<b>Senior Risk Control Specialist Northwest Region</b>	(503) 833-1612 <a href="mailto:jstephens@wrightinsurance.com">jstephens@wrightinsurance.com</a>
Bryan Abramovich	<b>Risk Control Specialist Northeast, Mid-Atlantic Region</b>	(631) 767-0248 <a href="mailto:babramovich@wrightinsurance.com">babramovich@wrightinsurance.com</a>
Amy Kielb	<b>Risk Control Technical Assistant</b>	(516) 750-9457 <a href="mailto:akielb@wrightinsurance.com">akielb@wrightinsurance.com</a>

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## ***Risk Management Services for Educational Institutions***

Wright Specialty Insurance (WSI) provides specialized services focused on educational risk. Our goal is to help our insureds create a safe learning environment for students, staff, and visitors by offering risk management services specific to their needs. Our highly trained professional staff has the experience in the education sector to implement proven strategies that reduce risk for a segment which has seen powerful changes over recent years.

### **Consulting Services**

#### **Access to Education Risk Management Professionals**

Educational administrators often have questions about the exposures related to activities, operations and programs. Our risk management specialists are available to research questions and provide information to help you evaluate and manage risk within your institution.

#### **Managing Risk Transfers**

A risk transferred is a risk controlled. Successfully transferring the responsibility to pay for a potential loss, benefits insureds in terms of cost reduction, clarity of potential risks to the institution and efficient use of management's time. Our risk management staff can review your standard construction, transportation and facility use insurance requirements and provide suggestions to improve the risk transfer.

#### **Employment Liability Policy Review**

Employment practices liability (EPL) continues to be a leading liability loss exposure for educational institutions. Besides regulatory complaints and litigation, EPL claims can negatively affect a school's reputation. As a service to our insureds, we can review your institution's anti-harassment and discrimination policies. Clients can also utilize our EPL Hotline via the WSI website to access legal experts for their opinions on specific questions.

#### **Loss Analysis**

An analysis of an insured's loss history can identify loss trends and uncover hidden loss causes - information that can be used to develop risk control and safety programs. Additionally, our loss analysis can help our insureds fully understand and appreciate true loss costs.

### **On-Premises Risk Control Assessments**

#### **Facility and Operations Assessment**

WSI insureds can receive an evaluation of their buildings and facilities, with an emphasis on areas that produce losses: classrooms, sidewalks, athletic and recreational facilities, playgrounds and storage areas. We also interview administrators to assess security, employment liability, and safety management policies and practices. An exit interview is conducted, and *practical* recommendations are submitted to mitigate identified risks.

### **Specific Assessments**

#### **Security**

Every institution is concerned about security. Our assessment starts with an interview of administrators and security officers, and a review of security-related incidents to identify trends and vulnerabilities. Our risk control specialists will then evaluate building and site security, use of security staff and entry points to optimize risk awareness and provide recommendations to mitigate the risk.

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## Playgrounds

Playgrounds need careful inspection, ongoing maintenance, and trained supervision. Let our specialists work with your staff to provide improvement suggestions. As playgrounds continue to evolve, so does the risk.

## Athletic and Recreational Facilities

Ball fields, gymnasiums, fitness centers, weight rooms, bleaches, basketball and tennis courts, whether in use by physical education classes or competitive sports are critical exposure areas for schools and colleges. WSI risk control specialists will evaluate these facilities to identify problem areas. Recommendations to improve student and visitor safety will be generated.

## Premises Liability

Slips and falls are a major source of claims and litigation against educational institutions. Our risk control specialists will evaluate sidewalks, walkways, stairs and parking lots to identify conditions prone to generate loss.

## Training

WSI risk management specialists are available to conduct on-site training and webinars on a myriad of topics, including:

• Facility Safety Inspection	• School Bus Safety
• Site Security	• Safer Trips Through Planning and Policies
• Risk Transfer	• Playground Supervision for Monitors
• Safety Committee Management	• Cafeteria Management for Monitors
• Athletic Liability Prevention	• How to Inspect a Playground
• Harassment/Abuse – Prevention Techniques	• Threat Assessment for Administrators and Staff

## E-Training Center

WSI offers over 115 on-line training courses through its e-Learning Center located on the WSI website. Contact your broker/agent or Wright Specialty Risk Management Technical Assistant for further information on the topics available and how to sign on.

## Title IX Resource Center

The Title IX Resource Center on the Wright Specialty website is an additional resource. The Resource Center contains informative documents, links and articles. Topics include:

- Federal Regulations and Guidance
- Claim Recognition
- Reporting and Complaint Handling
- Policy Requirements

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## *Wright Specialty Employment Liability Hotline for Our Educational Clients*

### **What is it?**

To assist Insureds who purchase Educators' Legal Liability insurance (which contains Employment Liability coverage), Wright Specialty has developed a cost-free Employment Liability Hotline. We partnered with a prominent national employment liability law firm, Jackson Lewis, PC to provide answers to every day employment-related issues.

### **What can I use this service for?**

The Hotline is for general legal overview. It is not intended to provide a determinative answer as to whether a specific adverse personnel action should be taken. Before a decision is made as to whether to discharge an employee, deny reinstatement after a leave of absence, take any action after receiving a complaint of harassment, or taking any other employment action, you should consult with experienced employment counsel and examine all aspects of that particular situation.

The Risk Management Hotline is a very useful tool to obtain information about federal laws and how they might apply to different employment-related situations. It can also be used as a way of inquiring about appropriate steps to take when investigating complaints or reports of harassment, discrimination or retaliation.

The Hotline is a good tool to conduct an analysis of the factors to consider when evaluating possible claims relating to denials of promotion, salary increases or requests for training.

### **Hotline Number**

**(866) 758-6874**

**The Hotline is available Monday – Friday from 8:30 am to 6:00 pm Eastern time**

### **How do I use it?**

To verify that callers are insured by Wright Specialty, a caller must provide his or her name, the name of the policyholder and the policy number, as well as the caller's e-mail address, mailing address and telephone number. After obtaining this information, a representative of Jackson Lewis, who will be providing this Hotline, will ask the caller succinctly to state the question and to provide a brief description of the facts which relate to the question. Callers can leave a voice mail message and will receive a response within one business day of the call.

Wright Specialty developed this program in conjunction with Jackson Lewis LLP, a national law firm with 54 offices and over 740 attorneys across the United States. For over 55 years, Jackson Lewis has assisted employers to develop preventive programs and to defend workplace law claims. Jackson Lewis represents employers in all aspects of workplace law, including employment litigation, disability and leave management, reductions in force, affirmative action, benefits, immigration, wage-hour, trade secrets and restrictive covenants, drug testing and labor relations. The firm maintains a website providing comprehensive information about these and other workplace law topics.

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### **Can I report claims and lawsuits?**

No. The Hotline is a resource for general overview about human resources and employment issues. Please do not use the Hotline to ask questions about coverage or matters beyond the hotline, such as “Can I fire Sally” or “If I fire Jim, does my policy cover an age discrimination claim?” It is not to be used to report the filing of administrative charges, arbitration demand letters, and service of lawsuits or other notices of claim. Providing such information to Hotline attorneys does not obligate them to provide notice on your behalf to Wright Specialty. It is your responsibility to notify Wright Specialty in accordance with the terms of the employment practices liability insurance policy. If you have any questions about how to report a claim, you should contact your insurance broker or representative.

Paul J. Siegel, Esq., a partner with Jackson Lewis since 1985, will oversee management of the hotline. You should contact Mr. Siegel if you have any questions about the hotline or any problems with regard to any concern about how a question you presented has been addressed. You can reach Mr. Siegel at 631-247-4605 or [siegelp@jacksonlewis.com](mailto:siegelp@jacksonlewis.com).

If you have technical problems accessing the Hotline, contact your insurance representative or Andrew Graham at Wright Specialty – [agraham@wrightinsurance.com](mailto:agraham@wrightinsurance.com).

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# **Risk Management & Safety Department**

## **Fleet Safety Policy Example**

### **A. Driver Registration**

All drivers must meet minimum qualifications as outlined below:

- Be authorized by the transportation department.
- Complete the registration process prior to driving on business. Individual department are responsible to ensure that employees, students, and volunteers who are required to drive on school business, complete the registration process before authorizing them to drive.

RM&S maintains the database of registered drivers. Periodically and/or upon request, RM&S will provide a list of all currently registered drivers for an individual department.

### **B. Minimum Age and Experience Requirements**

The following minimum age and experience requirements apply to all individuals (employees, students, and volunteers) authorized to drive any vehicle on school business:

- Drivers of high occupancy vehicles must be at least 21 years of age *and* have been licensed for a minimum of three years prior to driving on school business.
- Drivers who require a Commercial Driver's License (CDL) (Class A, B, or C per statute) to perform their job duties for the school must be at least 21 years of age *and* have been licensed for a minimum of three years prior to driving in a CDL capacity on school business. CDL drivers must comply with applicable requirements for medical certification and drug testing.
  - Driver Licensing Requirements
- School employees (faculty, classified staff, appointed personnel) who drive on the job must have a valid Driver's License, of the classification appropriate to the type of vehicle being driven.
- Foreign Drivers Licenses and International Drivers Licenses are not acceptable for driving on school business. Individuals with non-U.S. driver's licenses must obtain a valid US Driver's License prior to driving on school business.

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### C. Motor Vehicle Record Review

The school is required to review the Motor Vehicle Record (MVR) of all authorized drivers to evaluate their licensing status and citation history. Based on the MVR review, each driver's status is classified as acceptable, conditional, or unacceptable. This section describes the MVR review process and the point system used for assigning driver status.

- A standard MVR review includes the most recent 36 month period from the date of the request. If the full 36 month record is not reasonably available for review, the available record will be evaluated by Risk Management on a case-by-case basis. Citations that are more than 36 months in the past are not included in the review.
- MVR review is initially conducted for new hires as part of the school's background screening process.
- Standard MVR review is scheduled at least annually for all registered drivers. MVR review is also performed after any vehicle accident involving a school driver, on an increased frequency for conditional drivers, and on request from a supervisor if there is a reasonable basis for the request.
- All MVR reviews required for hiring decisions are conducted by Human Resources. Human Resources reviews the MVR and advises the hiring authority of the applicant's status as acceptable, conditional, or unacceptable, so this information can be incorporated into the hiring decision.
- In the event of an adverse finding only (conditional or unacceptable), RM&S forwards this information to the driver's supervisor and Department Head with any specific driving limitations and instructions that arise from the driver's MVR review.
- If MVR review outside the hiring process (students, volunteers, current employees) requires an out-of-state record for any portion of the 36 month driving record, the record must be obtained through Human Resources.
- MVR review information is considered a personnel record, and is therefore not subject to public records inspection or release unless required by subpoena, court order, or law. Each driver's Motor Vehicle Record (MVR) is evaluated using the point system outlined below:
  - For purposes of this Fleet Safety Policy, a **Moving Violation** is any citation issued for which the Motor Vehicle Division assigns points to the driver's record, except those listed below as Serious Violations. Examples include speeding, traffic control violations, failure to yield, etc.
  - Example of a **Serious Violation** includes any *conviction* for Driving Under the Influence (DUI), Reckless Driving, Racing on Highways, Aggressive Driving, Leaving the Scene of an accident, etc.

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**D. WSI MVR Driver Guidelines**

		Number of At-Fault Accidents			
		0	1	2	3
Number of minor violations	0	Clear	Acceptable	Borderline	Unacceptable
	1	Acceptable	Borderline	Unacceptable	Unacceptable
	2	Borderline	Unacceptable	Unacceptable	Unacceptable
	3 or more	Unacceptable	Unacceptable	Unacceptable	Unacceptable
	Any major violations	Unacceptable	Unacceptable	Unacceptable	Unacceptable

**Major Violations (within last five years of violation date) include:**

- A violation in connection with a fatal accident.
- Any felony involving the use of an automobile.
- Driving under a suspended, revoked, or expired license
- Driving under the influence of drugs or alcohol and/or the refusal to take a blood/breath test.
- Fleeing or attempting to elude the police; failure to stop and report an accident in which the driver was involved.
- Negligent vehicular homicide.
- Operating a motor vehicle without the owner’s permission.
- Permitting an unlicensed person to drive.
- Reckless, negligent, careless driving or racing.
- Speeding in excess of 20 mph over the speed limit.

**The following are not considered as a violation:**

- Defective equipment (lights, brakes, etc.)
- Oversize or over weight
- Seatbelt violations

**Borderline Drivers**

Borderline drivers include “borderline” situations as noted in the above chart and the following:

- Past suspensions with reinstatements shown on the MVR.
- Drivers 18-21 with one or more violations/accidents within the last three years.

**\*Compliance with the guidelines above is a condition of the Commercial Automobile Policy if bound.**

**Sign below to acknowledge receipt and indicate the status of compliance.**

MVR guidelines are currently in place that are in compliance with WSI MVR Guidelines

MVR guidelines do **NOT** currently meet WSI standards, but will be if coverage is bound

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

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## E. Requirements for Borderline or Unacceptable MVR Status

The following management actions are required for current school drivers who have a **Borderline** motor vehicle record:

- Upon determining that a school driver has a conditional MVR, RM&S will provide written notification to the driver's supervisor and the Department Head, with instructions and the expected duration of borderline status, assuming no additional moving violations are received. The driver's supervisor must obtain written authorization from their Department Head to allow the driver to continue driving on school business while their MVR is in conditional status. Borderline MVR drivers must complete defensive driving instruction as instructed by RM&S. While in conditional status, the MVR will be reviewed every 90 days to monitor if additional moving violations have occurred.
- Failure to maintain an acceptable or borderline driving record may result in the driver's department taking action up to and including suspension or revocation of school driving privileges and/or termination of employment.

The following management actions are required for current school drivers who have an **Unacceptable** motor vehicle record:

- Upon determining that a driver has an unacceptable MVR, RM&S will provide written notification to the driver's supervisor and Department Head with instructions and the expected duration of unacceptable MVR status, assuming no additional moving violations are received.
- The driver must be advised in writing by either the supervisor or Department Head that the driver is prohibited from driving any vehicle on school business until the driver receives written notification from their supervisor that their driving status has returned to either conditional or acceptable status. Drivers who transition from unacceptable to conditional status require written authorization to drive.
- A current MVR review must be conducted by RM&S prior to re-instatement of driving privileges.
- Failure to maintain an acceptable or conditional driving record may result in the driver's department taking action up to and including suspension or revocation of driving privileges and/or termination of employment.

The following management actions are required for **job applicants** who have either **Borderline** or **Unacceptable** MVRs:

- Human Resources will evaluate the MVR of job applicants as part of regular pre-hire background screening and will advise hiring departments and RM&S of a job applicant's MVR status.
- The hiring department is responsible for evaluating the essential functions of the job and determining whether to proceed with the hiring of the applicant.
- If an applicant is hired with a borderline MVR, then the requirements outlined above are immediately applicable upon hiring.
- No applicant may drive on school business with an unacceptable driving record.

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## F. Driver Training Requirements

- All persons with driving as an assigned duty (including HOV *drivers*) must attend an approved course in defensive driving prior to being authorized to drive on school business.
  - Defensive driving instruction may be obtained through attendance at a classroom-based program, or completion of an online program.
  - Documented completion of defensive driving instruction from other employers or agencies outside of the school can be accepted for this requirement if approved by RM&S.
  - Completion of an approved training program for dismissal of a traffic citation may meet this training requirement if approved by RM&S.
  
- Drivers of High Occupancy Vehicles (HOVs) must complete defense driving instruction as described above and complete an additional training module that addresses safe operation of HOVs.
  - *HOV drivers are also required to demonstrate behind-the-wheel proficiency prior to being authorized to drive on school business.* The behind-the-wheel proficiency demonstration requires the driver to successfully demonstrate HOV operation in a safe and competent manner, under the observation of an authorized HOV evaluator from either RM&S or the driver's home department.
  - HOV evaluators from individual departments can be authorized to conduct the behind-the-wheel review, using a standard list of skills provided by RM&S.
  - Upon completion of the classroom and behind-the-wheel sections, drivers are issued an authorization card documenting completion of HOV training.
  - Refresher training in defensive driving and HOV operation must be completed at least every four years, or more often if the driver's accident history and/or MVR status warrant more frequent training attendance.
  - Drivers with a Class A, B, or C Commercial Driver's License (CDL) may require additional training specific to their CDL activity, for example, CDL drivers who require a hazardous materials endorsement require additional hazmat training.

**NOTE:** Please submit to [claims@wrightinsurance.com](mailto:claims@wrightinsurance.com) or fax (516) 222-5392

All endorsement requests should be sent to our dedicated email address - [endorsements@wrightinsurance.com](mailto:endorsements@wrightinsurance.com)

Please be sure to forward all new business submissions to our dedicated email address [Submissions@wrightinsurance.com](mailto:Submissions@wrightinsurance.com) to avoid any delay in assigning for your office.





MARKEL INSURANCE COMPANY  
 COMMERCIAL LINES POLICY  
 DECLARATIONS

8502WSI036867-1

Policy No. 8502WSI036867-2

Renewal of Policy No.

Named Insured and Mailing Address ( No., Street, Town or City, County, State, Zip Code )\*

SusQ-Cyber Charter School  
 240 Market Street, Box 1A, Suite 15  
 Bloomsburg, PA 17815

Policy Period: from 7/1/2019 12:00:00 AM until 7/1/2020 12:00:00 AM, at 12:01 A.M. Standard Time  
 at your mailing address shown above.

IN RETURN FOR THE PAYMENT OF THE PREMIUM AND SUBJECT TO ALL TERMS OF THIS POLICY,  
 WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

Business Description:

THIS POLICY CONSISTSOFTHE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED.  
 THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

	PREMIUM
Commercial Property Coverage Part	\$2,246.00
Commercial General Liability Coverage Part	\$2,327.00
Commercial Crime Coverage Part	\$486.00
Commercial Inland Marine Coverage Part	\$901.00
Boiler and Machinery Coverage Part	\$100.00
<b>Total Advance Premium: \$</b>	<b>Total: \$6,060.00</b>

Form(s) and Endorsement(s) made a part of this policy at time of issue\*:

\*Omits applicable Forms and Endorsements if shown in specific Coverage Part/Coverage Form Declarations.

Countersigned:

By: \_\_\_\_\_

*Kevin C. Beer*

THESE DECLARATIONS TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE PART DECLARATIONS, COVERAGE PART COVERAGE FORM(S)  
 AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.  
 Includes copy rightedmaterial of Insurance Services Of fice, Inc. , with its permission.



Policy Number: 8502W SI036867-2

NAMED INSURED AND MAILING ADDRESS	INSURER	PRODUCER
SusQ-Cyber Charter School 240 Market Street, Box 1A, Suite 15 Bloomsburg, PA 17815	MARKEL INSURANCE COMPANY 4600 Cox Road Glen Allen, VA 23060-9817	Henderson Brothers, Inc. 920 Ft. Duquesne Blvd Pittsburgh, PA 15222

**ISSUED BY**

Wright Specialty Insurance Agency, LLC

**COMMERCIAL PROPERTY  
POLICY DECLARATIONS**

POLICY PERIOD: FROM 7/1/2019 to 7/1/2020 12:01 A.M.  
AT THE INSURED'S MAILING ADDRESS

**IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.**

BLANKET SUMMARY - BUILDING AND BUSINESS PERSONAL PROPERTY				
Coverage	Cause of Loss	Deductible	Coinsurance	Limit of Insurance
Building and Business Personal Property	SPECIAL Includes Theft	\$1,000 Honor Roll Elite Deductible \$1,000	90%	\$189,108
Agreed Value: Yes		Expiration Date: 7/1/2020		
Building: Replacement Cost		Personal Property: Replacement Cost		
<b>Total Property Premium</b>				<b>\$2,246</b>
COVERAGE EXTENSIONS/ADDITIONAL COVERAGE			LIMIT	DEDUCTIBLE
Blanket Business Income Including Rental Value and Extra Expense			\$550,000	72 hours
Ordinance Or Law			Not Included	
Coverage A				
Coverage B				
Coverage C				
Flood			Not Included	Not Included
Earthquake			Not Included	Not Included

**COMMERCIAL PROPERTY POLICY DECLARATIONS**

**SCHEDULE OF PREMISES**

Premises #/Item #	Description	Address	City, State Zip
1 - 1	Office	240 Market St	Bloomsburg, PA 17815

ENDORSEMENTS		
ENDORSEMENT NUMBER	EDITION DATE	DESCRIPTION
CP 00 10	10 12	Building & Personal Property Coverage Form
CP 00 30	10 12	Business Income (And Extra Expense) Coverage Form
CP 00 90	07 88	Commercial Property Conditions
CP 01 40	07 06	Exclusion of Loss Due to Virus or Bacteria
CP 04 11	09 17	Protective Safeguards
CP 10 30	09 17	Causes of Loss-Special Form
CP 15 25	10 12	Business Income Changes-Educational Institutions
IL 00 03	09 08	Calculation of Premium
IL 00 17	11 98	Common Policy Conditions
IL 00 20	11 85	Effective Time Changes
IL 00 22	05 87	Effective Time Changes-Replacement of 12 Noon
IL 01 66	09 07	Pennsylvania Changes-Actual Cash Value
IL 01 72	09 07	Pennsylvania Changes
IL 02 46	09 07	Pennsylvania Changes - Cancellation and Nonrenewal
IL 09 10	12 03	Pennsylvania Notice
IL 09 35	07 02	Exclusion of Certain Computer-Related Losses
IL 09 52	01 15	Cap On Losses From Certified Acts Of Terrorism Endorsement
MCP 0002	10 16	Data Compromise Coverage form
MCP 1240	10 16	Honor Roll Elite Commercial Property Enhancement
MCP 1300	04 13	Fungus, Wet Rot, Dry Rot and Bacteria Exclusion
MCP-TERR-1	01 15	Confirmation Of Certified Acts Of Terrorism Coverage - Terrorism Risk Insurance Act
MD 001	07 02	Commercial Lines Policy Declarations Page
MDCP 2001	10 16	Commercial Property Policy Declarations
MDCP 2002	10 16	Data Compromise Coverage Supplemental Declarations
MIL 1214	09 17	Trade Or Economic Sanctions
MJIL 1000	06 10	Markel Insurance Company Policy Jacket

**THESE DECLARATIONS, TOGETHER WITH THE COMMON POLICY CONDITIONS AND COVERAGE FORM (S) AND ANY ENDORSEMENT(S), COMPLETE THE ABOVE NUMBERED POLICY.**

Countersigned:	By:
7/1/2019	<i>Kevin C. Beer</i>



## MARKEL INSURANCE COMPANY

### DATA COMPROMISE COVERAGE SUPPLEMENTAL DECLARATIONS

Named Insured  
SusQ-Cyber Charter School

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#### SECTION 1 – RESPONSE EXPENSES

##### Data Compromise

Response Expenses Limit: \$100,000

##### Sublimits

Named Malware (Sec. 1)	\$50,000
Forensic IT Review:	\$50,000
Legal Review:	\$50,000
PR Services:	\$5,000
Regulatory Fines and Penalties:	\$50,000
PCI Fines and Penalties:	\$50,000

Any one "Personal Data Compromise"

Response Expenses Deductible: \$1,000  
Any one "Personal Data Compromise"

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#### SECTION 2 – DEFENSE LIABILITY

##### Data Compromise

Defense and Liability Limit: \$100,000

##### Sublimits

Named Malware (Sec. 2)	\$50,000
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Any one "Personal Data Compromise"

Defense and Liability Deductible: \$1,000 Each "Data Compromise Suit"

# 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.

## BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

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

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

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

### A. Coverage

#### 1. Business Income

Business Income means the:

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

For manufacturing risks, Net Income includes the net sales value of production.

Coverage is provided as described and limited below for one or more of the following options for which a Limit Of Insurance is shown in the Declarations:

- (1) Business Income Including "Rental Value".
- (2) Business Income Other Than "Rental Value".
- (3) "Rental Value".

If option (1) above is selected, the term Business Income will include "Rental Value". If option (3) above is selected, the term Business Income will mean "Rental Value" only.

If Limits of Insurance are shown under more than one of the above options, the provisions of this Coverage Part apply separately to each.

We will pay for the actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to property at premises which are described in the Declarations and for which a Business Income Limit Of Insurance is shown in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of such premises.

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

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

#### 2. Extra Expense

- a. Extra Expense Coverage is provided at the premises described in the Declarations only if the Declarations show that Business Income Coverage applies at that premises.
- b. Extra Expense means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.

We will pay Extra Expense (other than the expense to repair or replace property) to:

- (1) Avoid or minimize the "suspension" of business and to continue operations at the described premises or at replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement location or temporary location.



- (2) Minimize the "suspension" of business if you cannot continue "operations".

We will also pay Extra Expense to repair or replace property, but only to the extent it reduces the amount of loss that otherwise would have been payable under this Coverage Form.

### **3. Covered Causes Of Loss, Exclusions And Limitations**

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

### **4. Additional Limitation – Interruption Of Computer Operations**

- a. Coverage for Business Income does not apply when a "suspension" of "operations" is caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage, Interruption Of Computer Operations.
- b. Coverage for Extra Expense does not apply when action is taken to avoid or minimize a "suspension" of "operations" caused by destruction or corruption of electronic data, or any loss or damage to electronic data, except as provided under the Additional Coverage, Interruption Of Computer Operations.
- c. 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.
- d. This Additional Limitation does not apply when loss or damage to electronic data involves only electronic data which is integrated in and operates or controls a building's elevator, lighting, heating, ventilation, air conditioning or security system.

## **5. Additional Coverages**

### **a. Civil Authority**

In this Additional Coverage, Civil Authority, the described premises are premises to which this Coverage Form applies, as shown in the Declarations.

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

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

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

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

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

## **b. Alterations And New Buildings**

We will pay for the actual loss of Business Income you sustain and necessary Extra Expense you incur due to direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss to:

- (1) New buildings or structures, whether complete or under construction;
- (2) Alterations or additions to existing buildings or structures; and
- (3) Machinery, equipment, supplies or building materials located on or within 100 feet of the described premises and:
  - (a) Used in the construction, alterations or additions; or
  - (b) Incidental to the occupancy of new buildings.

If such direct physical loss or damage delays the start of "operations", the "period of restoration" for Business Income Coverage will begin on the date "operations" would have begun if the direct physical loss or damage had not occurred.

## **c. Extended Business Income**

### **(1) Business Income Other Than "Rental Value"**

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

- (a) Begins on the date property (except "finished stock") is actually repaired, rebuilt or replaced and "operations" are resumed; and
- (b) Ends on the earlier of:
  - (i) The date you could restore your "operations", with reasonable speed, to the level which would generate the business income amount that would have existed if no direct physical loss or damage had occurred; or
  - (ii) 60 consecutive days after the date determined in (1)(a) above.

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

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

### **(2) "Rental Value"**

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

- (a) Begins on the date property is actually repaired, rebuilt or replaced and tenantability is restored; and
- (b) Ends on the earlier of:
  - (i) The date you could restore tenant occupancy, with reasonable speed, to the level which would generate the "Rental Value" that would have existed if no direct physical loss or damage had occurred; or
  - (ii) 60 consecutive days after the date determined in (2)(a) above.

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

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

## **d. Interruption Of Computer Operations**

- (1) Under this Additional Coverage, electronic data has the meaning described under Additional Limitation – Interruption Of Computer Operations.

- (2) Subject to all provisions of this Additional Coverage, you may extend the insurance that applies to Business Income and Extra Expense to apply to a "suspension" of "operations" caused by an interruption in computer operations due to destruction or corruption of electronic data due to a Covered Cause of Loss. However, we will not provide coverage under this Additional Coverage when the Additional Limitation – Interruption Of Computer Operations – does not apply based on Paragraph **A.4.d.** therein.
- (3) With respect to the coverage provided under this Additional Coverage, the Covered Causes of Loss are subject to the following:
- (a) If the Causes Of Loss – Special Form applies, coverage under this Additional Coverage, Interruption Of Computer Operations, 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, Interruption Of Computer Operations, 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, Interruption Of Computer Operations.
  - (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 an interruption related to manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, maintain, repair or replace that system.
- (4) The most we will pay under this Additional Coverage, Interruption Of Computer Operations, is \$2,500 (unless a higher limit is shown in the Declarations) for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.
- (5) This Additional Coverage, Interruption Of Computer Operations, does not apply to loss sustained or expense incurred after the end of the "period of restoration", even if the amount of insurance stated in (4) above has not been exhausted.

## 6. Coverage Extension

If a Coinsurance percentage of 50% or more is shown in the Declarations, you may extend the insurance provided by this Coverage Part as follows:

### Newly Acquired Locations

- a. You may extend your Business Income and Extra Expense Coverages to apply to property at any location you acquire other than fairs or exhibitions.
- b. The most we will pay under this Extension, for the sum of Business Income loss and Extra Expense incurred, is \$100,000 at each location, unless a higher limit is shown in the Declarations.
- c. Insurance under this Extension for each newly acquired location will end when any of the following first occurs:
  - (1) This policy expires;

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

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

The Additional Condition, Coinsurance, does not apply to this Extension.

## **B. Limits Of Insurance**

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

Payments under the following coverages will not increase the applicable Limit of Insurance:

1. Alterations And New Buildings;
2. Civil Authority;
3. Extra Expense; or
4. Extended Business Income.

The amounts of insurance stated in the Interruption Of Computer Operations Additional Coverage and the Newly Acquired Locations Coverage Extension apply in accordance with the terms of those coverages and are separate from the Limit(s) Of Insurance shown in the Declarations for any other coverage.

## **C. Loss Conditions**

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

### **1. Appraisal**

If we and you disagree on the amount of Net Income and operating expense 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 amount of Net Income and operating expense or 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.

## **2. Duties In The Event Of Loss**

a. You must see that the following are done in the event of loss:

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the direct physical 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 direct physical 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) 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.

- (6) 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.
  - (7) Cooperate with us in the investigation or settlement of the claim.
  - (8) If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.
- b. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

### 3. Loss Determination

- a. The amount of Business Income loss will be determined based on:
  - (1) The Net Income of the business before the direct physical loss or damage occurred;
  - (2) The likely Net Income of the business if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses;
  - (3) The operating expenses, including payroll expenses, necessary to resume "operations" with the same quality of service that existed just before the direct physical loss or damage; and
  - (4) Other relevant sources of information, including:
    - (a) Your financial records and accounting procedures;
    - (b) Bills, invoices and other vouchers; and
    - (c) Deeds, liens or contracts.
- b. The amount of Extra Expense will be determined based on:
  - (1) All expenses that exceed the normal operating expenses that would have been incurred by "operations" during the "period of restoration" if no direct physical loss or damage had occurred. We will deduct from the total of such expenses:
    - (a) The salvage value that remains of any property bought for temporary use during the "period of restoration", once "operations" are resumed; and
    - (b) Any Extra Expense that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and provisions as this insurance; and
  - (2) Necessary expenses that reduce the Business Income loss that otherwise would have been incurred.

### c. Resumption Of Operations

We will reduce the amount of your:

- (1) Business Income loss, other than Extra Expense, to the extent you can resume your "operations", in whole or in part, by using damaged or undamaged property (including merchandise or stock) at the described premises or elsewhere.
- (2) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.
- d. If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

### 4. Loss Payment

We will pay for covered loss 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:

- a. We have reached agreement with you on the amount of loss; or
- b. An appraisal award has been made.

### D. Additional Condition

#### COINSURANCE

If a Coinsurance percentage is shown in the Declarations, the following condition applies in addition to the Common Policy Conditions and the Commercial Property Conditions.

We will not pay the full amount of any Business Income loss if the Limit of Insurance for Business Income is less than:

- 1. The Coinsurance percentage shown for Business Income in the Declarations; times
- 2. The sum of:
  - a. The Net Income (Net Profit or Loss before income taxes), and
  - b. Operating expenses, including payroll expenses,

that would have been earned or incurred (had no loss occurred) by your "operations" at the described premises for the 12 months following the inception, or last previous anniversary date, of this policy (whichever is later).

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

- Step (1): Multiply the Net Income and operating expense for the 12 months following the inception, or last previous anniversary date, of this policy by the Coinsurance percentage;
- Step (2): Divide the Limit of Insurance for the described premises by the figure determined in Step (1); and
- Step (3): Multiply the total amount of loss by the figure determined in Step (2).

We will pay the amount determined in Step (3) 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.

In determining operating expenses for the purpose of applying the Coinsurance condition, the following expenses, if applicable, shall be deducted from the total of all operating expenses:

- (1) Prepaid freight – outgoing;
- (2) Returns and allowances;
- (3) Discounts;
- (4) Bad debts;
- (5) Collection expenses;
- (6) Cost of raw stock and factory supplies consumed (including transportation charges);
- (7) Cost of merchandise sold (including transportation charges);
- (8) Cost of other supplies consumed (including transportation charges);
- (9) Cost of services purchased from outsiders (not employees) to resell, that do not continue under contract;
- (10) Power, heat and refrigeration expenses that do not continue under contract (if Form **CP 15 11** is attached);
- (11) All payroll expenses or the amount of payroll expense excluded (if Form **CP 15 10** is attached); and
- (12) Special deductions for mining properties (royalties unless specifically included in coverage; actual depletion commonly known as unit or cost depletion – not percentage depletion; welfare and retirement fund charges based on tonnage; hired trucks).

### Example 1 (Underinsurance)

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been: \$ 400,000  
The Coinsurance percentage is: 50%  
The Limit of Insurance is: \$ 150,000  
The amount of loss is: \$ 80,000

Step (1):  $\$400,000 \times 50\% = \$200,000$   
(the minimum amount of insurance to meet your Coinsurance requirements)

Step (2):  $\$150,000 \div \$200,000 = .75$

Step (3):  $\$80,000 \times .75 = \$60,000$

We will pay no more than \$60,000. The remaining \$20,000 is not covered.

### Example 2 (Adequate Insurance)

When: The Net Income and operating expenses for the 12 months following the inception, or last previous anniversary date, of this policy at the described premises would have been: \$ 400,000  
The Coinsurance percentage is: 50%  
The Limit of Insurance is: \$ 200,000  
The amount of loss is: \$ 80,000

The minimum amount of insurance to meet your Coinsurance requirement is \$200,000 ( $\$400,000 \times 50\%$ ). Therefore, the Limit of Insurance in this example is adequate and no penalty applies. We will pay no more than \$80,000 (amount of loss).

This condition does not apply to Extra Expense Coverage.

### E. Optional Coverages

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

#### 1. Maximum Period Of Indemnity

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.

- b. The most we will pay for the total of Business Income loss and Extra Expense is the lesser of:
  - (1) The amount of loss sustained and expenses incurred during the 120 days immediately following the beginning of the "period of restoration"; or
  - (2) The Limit Of Insurance shown in the Declarations.

**2. Monthly Limit Of Indemnity**

- a. The Additional Condition, Coinsurance, does not apply to this Coverage Form at the described premises to which this Optional Coverage applies.
- b. The most we will pay for loss of Business Income in each period of 30 consecutive days after the beginning of the "period of restoration" is:
  - (1) The Limit of Insurance, multiplied by
  - (2) The fraction shown in the Declarations for this Optional Coverage.

**Example**

When: The Limit of Insurance is: \$ 120,000  
 The fraction shown in the Declarations for this Optional Coverage is: 1/4  
 The most we will pay for loss in each period of 30 consecutive days is: \$ 30,000  
 (\$120,000 x 1/4 = \$30,000)  
 If, in this example, the actual amount of loss is:

Days 1–30:	\$ 40,000
Days 31–60:	\$ 20,000
Days 61–90:	\$ 30,000
	\$ 90,000

We will pay:

Days 1–30:	\$ 30,000
Days 31–60:	\$ 20,000
Days 61–90:	\$ 30,000
	\$ 80,000

The remaining \$10,000 is not covered.

**3. Business Income Agreed Value**

- a. To activate this Optional Coverage:
  - (1) A Business Income Report/Work Sheet must be submitted to us and must show financial data for your "operations":
    - (a) During the 12 months prior to the date of the Work Sheet; and

- (b) Estimated for the 12 months immediately following the inception of this Optional Coverage.
- (2) The Declarations must indicate that the Business Income Agreed Value Optional Coverage applies, and an Agreed Value must be shown in the Declarations. The Agreed Value should be at least equal to:
  - (a) The Coinsurance percentage shown in the Declarations; multiplied by
  - (b) The amount of Net Income and operating expenses for the following 12 months you report on the Work Sheet.
- b. The Additional Condition, Coinsurance, is suspended until:
  - (1) 12 months after the effective date of this Optional Coverage; or
  - (2) The expiration date of this policy; whichever occurs first.
- c. We will reinstate the Additional Condition, Coinsurance, automatically if you do not submit a new Work Sheet and Agreed Value:
  - (1) Within 12 months of the effective date of this Optional Coverage; or
  - (2) When you request a change in your Business Income Limit of Insurance.
- d. If the Business Income Limit of Insurance is less than the Agreed Value, we will not pay more of any loss than the amount of loss multiplied by:
  - (1) The Business Income Limit of Insurance; divided by
  - (2) The Agreed Value.

**Example**

When: The Limit of Insurance is: \$ 100,000  
 The Agreed Value is: \$ 200,000  
 The amount of loss is: \$ 80,000  
 Step (1): \$100,000 ÷ \$200,000 = .50  
 Step (2): .50 x \$80,000 = \$40,000

We will pay \$40,000. The remaining \$40,000 is not covered.

**4. Extended Period Of Indemnity**

Under Paragraph A.5.c., **Extended Business Income**, the number 60 in Subparagraphs (1)(b) and (2)(b) is replaced by the number shown in the Declarations for this Optional Coverage.

## F. Definitions

1. "Finished stock" means stock you have manufactured.

"Finished stock" also includes whiskey and alcoholic products being aged, unless there is a Coinsurance percentage shown for Business Income in the Declarations.

"Finished stock" does not include stock you have manufactured that is held for sale on the premises of any retail outlet insured under this Coverage Part.

2. "Operations" means:
  - a. Your business activities occurring at the described premises; and
  - b. The tenability of the described premises, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.
3. "Period of restoration" means the period of time that:
  - a. Begins:
    - (1) 72 hours after the time of direct physical loss or damage for Business Income Coverage; or
    - (2) Immediately after the time of direct physical loss or damage for Extra Expense Coverage;  
caused by or resulting from any Covered Cause of Loss at the described premises; and
  - b. Ends on the earlier of:
    - (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
    - (2) The date when business is resumed at a new permanent location.

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

- (1) Regulates the construction, use or repair, or requires the tearing down, of any property; or

- (2) Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

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

4. "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.
5. "Rental Value" means Business Income that consists of:
  - a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred as rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, including fair rental value of any portion of the described premises which is occupied by you; and
  - b. Continuing normal operating expenses incurred in connection with that premises, including:
    - (1) Payroll; and
    - (2) The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.
6. "Suspension" means:
  - a. The slowdown or cessation of your business activities; or
  - b. That a part or all of the described premises is rendered untenable, if coverage for Business Income Including "Rental Value" or "Rental Value" applies.



## 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 supercedes 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.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## PROTECTIVE SAFEGUARDS

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART  
STANDARD PROPERTY POLICY

### SCHEDULE

Premises Number	Building Number	Protective Safeguard Symbols Applicable
1	1	P-1
<b>Describe Any "P-9":</b>		
Information required to complete this Schedule, if not shown above, will be shown in the Declaration.		

A. The following is added to the Commercial Property Conditions:

#### Protective Safeguards

As a condition of this insurance, you are required to:

1. Maintain the protective safeguards listed in the Schedule, and over which you have control, in complete working order;
2. Actively engage and maintain in the "on" position at all times any automatic fire alarm or other automatic system listed in the Schedule; and
3. Notify us if you know of any suspension of or impairment in any protective safeguard listed in the Schedule.

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

B. The following is added to the **Exclusions** section of:

- Causes Of Loss – Basic Form
- Causes Of Loss – Broad Form
- Causes Of Loss – Special Form
- Mortgageholders Errors And Omissions Coverage Form
- Standard Property Policy

We will not pay for loss or damage caused by or resulting from fire if, prior to the fire, you failed to comply with any condition set forth in Paragraph A.

C. The protective safeguards to which this endorsement applies are identified by the following symbols:

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

Automatic Sprinkler System means:

- a. Any automatic fire protective or extinguishing system, including connected:
  - (1) Sprinklers and discharge nozzles;
  - (2) Ducts, pipes, valves and fittings;
  - (3) Tanks, their component parts and supports; and
  - (4) Pumps and private fire protection mains.
- b. When supplied from an automatic fire protective system:
  - (1) Non-automatic fire protective systems; and
  - (2) Hydrants, standpipes and outlets.

**"P-2" Automatic Fire Alarm**, protecting the entire building, that is:

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

**"P-3" Security Service**, with a recording system or watch clock, making hourly rounds covering the entire building, when the premises are not in actual operation.

**"P-4" Service Contract** with a privately owned fire department providing fire protection service to the described premises.

**"P-5" Automatic Commercial Cooking Exhaust And Extinguishing System** installed on cooking appliances and having the following components:

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

**"P-9"**, the protective system described in the Schedule.

## CAUSES OF LOSS – SPECIAL FORM

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

### A. Covered Causes Of Loss

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

### B. Exclusions

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

#### a. Ordinance Or Law

The enforcement of or compliance with any ordinance or law:

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

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

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

#### b. Earth Movement

- (1) Earthquake, including tremors and aftershocks and any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;

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

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

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

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

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

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

Volcanic Action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

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

**c. Governmental Action**

Seizure or destruction of property by order of governmental authority.

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

**d. Nuclear Hazard**

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

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

**e. Utility Services**

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

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

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

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

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

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

**f. War And Military Action**

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

- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

**g. Water**

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

- (2) Mudslide or mudflow;

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

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

- (a) Foundations, walls, floors or paved surfaces;
- (b) Basements, whether paved or not; or
- (c) Doors, windows or other openings; or

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

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

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

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

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

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

This exclusion does not apply:

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

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

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

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

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

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

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

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

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

**d.(1) Wear and tear;**

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

(3) Smog;

(4) Settling, cracking, shrinking or expansion;

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

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

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

(a) Dampness or dryness of atmosphere;

(b) Changes in or extremes of temperature; or

(c) Marring or scratching.

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

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

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



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

This exclusion:

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

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

This exclusion, **k.**, does not apply:

- (a)** To the extent that coverage is provided under the Additional Coverage, Collapse; or
- (b)** To collapse caused by one or more of the following:
  - (i)** The "specified causes of loss";
  - (ii)** Breakage of building glass;
  - (iii)** Weight of rain that collects on a roof; or
  - (iv)** Weight of people or personal property.
- l.** Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".
 

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

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

#### 4. Special Exclusions

The following provisions apply only to the specified Coverage Forms:

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

We will not pay for:

- (1) Any loss caused by or resulting from:
  - (a) Damage or destruction of "finished stock"; or
  - (b) The time required to reproduce "finished stock".This exclusion does not apply to Extra Expense.
- (2) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers.
- (3) Any increase of loss caused by or resulting from:
  - (a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or
  - (b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage and the Extended Period Of Indemnity Optional Coverage or any variation of these.
- (4) Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".
- (5) Any other consequential loss.

##### b. Leasehold Interest Coverage Form

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

##### c. Legal Liability Coverage Form

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

##### (a) Contractual Liability

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

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

##### (b) Nuclear Hazard

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

## 5. Additional Exclusion

The following provisions apply only to the specified property:

### Loss Or Damage To Products

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

## C. Limitations

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

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

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

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

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

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

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

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

However, this limitation does not apply to:

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

(2) Business Income Coverage or Extra Expense Coverage.

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

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

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

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

(2) Changes in or extremes of temperature;

(3) Disease;

(4) Frost or hail; or

(5) Rain, snow, ice or sleet.

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

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

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

(1) Glass; or

(2) Containers of property held for sale.

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

However, this limitation does not apply:

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

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

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

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

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

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

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

#### **D. Additional Coverage – Collapse**

The coverage provided under this Additional Coverage, Collapse, applies only to an abrupt collapse as described and limited in **D.1.** through **D.7.**

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

2. We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this Coverage Form or that contains Covered Property insured under this Coverage Form, if such collapse is caused by one or more of the following:

- a.** Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
- b.** Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
- c.** Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation.
- d.** Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:

- (1) A cause of loss listed in **2.a.** or **2.b.**;
- (2) One or more of the "specified causes of loss";
- (3) Breakage of building glass;
- (4) Weight of people or personal property; or
- (5) Weight of rain that collects on a roof.

3. This **Additional Coverage – Collapse** does **not** apply to:

- a.** A building or any part of a building that is in danger of falling down or caving in;
- b.** A part of a building that is standing, even if it has separated from another part of the building; or
- c.** A building that is standing or any part of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

4. With respect to the following property:

- a.** Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;

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

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

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

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

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

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

1. The coverage described in **E.2.** and **E.6.** only applies when the "fungus", wet or dry rot or bacteria are the result of one or more of the following causes that occur during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence:

- a. A "specified cause of loss" other than fire or lightning; or
- b. Flood, if the Flood Coverage Endorsement applies to the affected premises.

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

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

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

3. The coverage described under **E.2.** of this Limited Coverage is limited to \$15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) and Flood which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet or dry rot or bacteria, we will not pay more than a total of \$15,000 even if the "fungus", wet or dry rot or bacteria continue to be present or active, or recur, in a later policy period.

4. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus", wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

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

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

## F. Additional Coverage Extensions

### 1. Property In Transit

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

- a. You may extend the insurance provided by this Coverage Part to apply to your personal property (other than property in the care, custody or control of your salespersons) in transit more than 100 feet from the described premises. Property must be in or on a motor vehicle you own, lease or operate while between points in the coverage territory.
- b. Loss or damage must be caused by or result from one of the following causes of loss:
  - (1) Fire, lightning, explosion, windstorm or hail, riot or civil commotion, or vandalism.
  - (2) Vehicle collision, upset or overturn. Collision means accidental contact of your vehicle with another vehicle or object. It does not mean your vehicle's contact with the roadbed.
  - (3) Theft of an entire bale, case or package by forced entry into a securely locked body or compartment of the vehicle. There must be visible marks of the forced entry.
- c. The most we will pay for loss or damage under this Extension is \$5,000.

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

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

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

### 3. Glass

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

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

### G. Definitions

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

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

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## BUSINESS INCOME CHANGES – EDUCATIONAL INSTITUTIONS

This endorsement modifies insurance provided under the following:

BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM  
BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM

### SCHEDULE

Premises No.	PER SCHEDULE
Description Of Each school Term In An Annual Period:	
Limited Coverage	<input type="checkbox"/>
Extension Of Recovery Period Option	months
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

- A. The Definition of "period of restoration" is replaced by the following:
3. "Period of restoration" means the period of time that:
    - a. Begins:
      - (1) 72 hours after the time of direct physical loss or damage for Business Income coverage; or
      - (2) Immediately after the time of direct physical loss or damage for Extra Expense coverage; caused by or resulting from any Covered Cause of Loss at the described premises; and



b. Ends on the earlier of:

- (1) The day before the opening of the next school term following the date when, with reasonable speed and similar quality, the property at the described premises should be repaired, rebuilt or replaced; or
- (2) The date when the school term is resumed at a new permanent location.

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

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

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

**B. The Additional Coverage – Extended Business Income** is replaced by the following. However, if the Extension Of Recovery Period Option applies, in accordance with Section C. of this endorsement, then the Extended Business Income Coverage does not apply.

**d. Extended Business Income**

If the necessary "suspension" of your "operations" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you sustain during the school term following the date the property is actually repaired, rebuilt or replaced, if that date is 60 days or less before the scheduled opening of the next school term.

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

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

C. If the Extension Of Recovery Period Option is indicated as applicable in the Schedule, then the following applies (instead of the Extended Business Income Coverage in Section B. of this endorsement):

**Extension Of Recovery Period**

If the necessary "suspension" of your "operations" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you sustain during the number of months (as indicated in the Schedule) following the end of the "period of restoration".

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

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

D. If Limited Coverage is indicated by an "X" or other notation in the Schedule, the definition of "operations" is replaced by the following:

"Operations" means:

- a. Your business activities, occurring at the described premises, which generate tuition and related fees from students, including fees from room, board, laboratories and other similar sources.

"Operations" does not include:

- (1) Bookstores;
  - (2) Athletic events;
  - (3) Activity related to research grants; or
  - (4) Business activities other than those which generate tuition and related fees from students.
- b. The tenantability of the described premises, if coverage for Business Income including "Rental Value" or "Rental Value" applies.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CALCULATION OF PREMIUM**

This endorsement modifies insurance provided under the following:

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

The following is added:

The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation, or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

## 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.**

## **EFFECTIVE TIME CHANGES**

This endorsement modifies the COMMON POLICY DECLARATIONS.

The 12:01 A.M. inception and expiration time of this policy is replaced by 12 noon standard time.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EFFECTIVE TIME CHANGES – REPLACEMENT OF 12 NOON**

This endorsement modifies the COMMON POLICY DECLARATIONS.

To the extent that coverage in this policy replaces coverage in other policies terminating noon standard time on the inception date of this policy, coverage under this policy shall not become effective until such other coverage has terminated.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **PENNSYLVANIA CHANGES – ACTUAL CASH VALUE**

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
CRIME AND FIDELITY COVERAGE PART  
EQUIPMENT BREAKDOWN COVERAGE PART  
FARM COVERAGE PART  
STANDARD PROPERTY POLICY

The following is added to any provision which uses the term actual cash value:

Actual cash value is calculated as the amount it would cost to repair or replace Covered Property, at the time of loss or damage, with material of like kind and quality, subject to a deduction for deterioration, depreciation and obsolescence. Actual cash value applies to valuation of Covered Property regardless of whether that property has sustained partial or total loss or damage.

The actual cash value of the lost or damaged property may be significantly less than its replacement cost.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **PENNSYLVANIA CHANGES**

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
 COMMERCIAL INLAND MARINE COVERAGE PART  
 COMMERCIAL PROPERTY COVERAGE PART  
 CRIME AND FIDELITY COVERAGE PART  
 EQUIPMENT BREAKDOWN COVERAGE PART  
 FARM COVERAGE PART

**A.** For insurance provided under the:

Capital Assets Program (Output Policy) Coverage Part  
 Commercial Inland Marine Coverage Part  
 Commercial Property Coverage Part  
 Crime And Fidelity Coverage Part  
 Equipment Breakdown Coverage Part

The **TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY** Common Policy Condition is replaced by the following:

**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.

If you die, this Coverage Part will remain in effect as provided in **1.** or **2.** below, whichever is later:

- 1.** For 180 days after your death regardless of the policy period shown in the Declarations, unless the insured property is sold prior to that date; or
- 2.** Until the end of the policy period shown in the Declarations, unless the insured property is sold prior to that date.

Coverage during the period of time after your death is subject to all provisions of this policy including payment of any premium due for the policy period shown in the Declarations and any extension of that period.

**B.** For insurance provided under the:

Capital Assets Program (Output Policy) Coverage Part  
 Commercial Inland Marine Coverage Part  
 Commercial Property Coverage Part  
 Farm Coverage Part

The following is added to the **LOSS PAYMENT** Loss Condition and supersedes any provision to the contrary:

**NOTICE OF ACCEPTANCE OR DENIAL OF CLAIM**

- 1.** Except as provided in **3.** below, we will give you notice, within 15 working days after we receive a properly executed proof of loss, that we:

- a.** Accept your claim;
- b.** Deny your claim; or
- c.** Need more time to determine whether your claim should be accepted or denied.

If we deny your claim, such notice will be in writing, and will state any policy provision, condition or exclusion used as a basis for the denial.

If we need more time to determine whether your claim should be accepted or denied, the written notice will state the reason why more time is required.

2. If we have not completed our investigation, we will notify you again in writing, within 30 days after the date of the initial notice as provided in **1.c.** above, and thereafter every 45 days. The written notice will state why more time is needed to investigate your claim and when you may expect us to reach a decision on your claim.
3. The notice procedures in **1.** and **2.** above do not apply if we have a reasonable basis, supported by specific information, to suspect that an insured has fraudulently caused or contributed to the loss by arson or other illegal activity. Under such circumstances, we will notify you of the disposition of your claim within a period of time reasonable to allow full investigation of the claim, after we receive a properly executed proof of loss.



**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **PENNSYLVANIA CHANGES – CANCELLATION AND NONRENEWAL**

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
 COMMERCIAL AUTOMOBILE COVERAGE PART  
 COMMERCIAL GENERAL LIABILITY COVERAGE PART  
 COMMERCIAL INLAND MARINE COVERAGE PART  
 COMMERCIAL LIABILITY UMBRELLA COVERAGE PART  
 COMMERCIAL PROPERTY COVERAGE PART  
 CRIME AND FIDELITY COVERAGE PART  
 EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART  
 EQUIPMENT BREAKDOWN COVERAGE PART  
 FARM COVERAGE PART  
 FARM UMBRELLA LIABILITY POLICY  
 LIQUOR LIABILITY COVERAGE PART  
 POLLUTION LIABILITY COVERAGE PART  
 PRODUCTS/COMPLETED OPERATIONS LIABILITY 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 writing or giving notice of cancellation.

**2. Cancellation Of Policies In Effect For Less Than 60 Days**

We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least 30 days before the effective date of cancellation.

**3. Cancellation Of Policies In Effect For 60 Days Or More**

If this policy has been in effect for 60 days or more or if this policy is a renewal of a policy we issued, we may cancel this policy only for one or more of the following reasons:

**a.** You have made a material misrepresentation which affects the insurability of the risk. Notice of cancellation will be mailed or delivered at least 15 days before the effective date of cancellation.

**b.** You have failed to pay a premium when due, whether the premium is payable directly to us or our agents or indirectly under a premium finance plan or extension of credit. Notice of cancellation will be mailed at least 15 days before the effective date of cancellation.

**c.** A condition, factor or loss experience material to insurability has changed substantially or a substantial condition, factor or loss experience material to insurability has become known during the policy period. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.

**d.** Loss of reinsurance or a substantial decrease in reinsurance has occurred, which loss or decrease, at the time of cancellation, shall be certified to the Insurance Commissioner as directly affecting in-force policies. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.

- e. Material failure to comply with policy terms, conditions or contractual duties. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.
- f. Other reasons that the Insurance Commissioner may approve. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.

This policy may also be cancelled from inception upon discovery that the policy was obtained through fraudulent statements, omissions or concealment of facts material to the acceptance of the risk or to the hazard assumed by us.

- 4. We will mail or deliver our notice to the first Named Insured's last mailing address known to us. Notice of cancellation will state the specific reasons for cancellation.
- 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 and will be returned within 10 business days after the effective date of cancellation. If the first Named Insured cancels, the refund may be less than pro rata and will be returned within 30 days after the effective date of cancellation. The cancellation will be effective even if we have not made or offered a refund.

- 7. If notice is mailed, it will be by registered or first class mail. Proof of mailing will be sufficient proof of notice.

**B.** The following are added and supersede any provisions to the contrary:

**1. Nonrenewal**

If we decide not to renew this policy, we will mail or deliver written notice of nonrenewal, stating the specific reasons for nonrenewal, to the first Named Insured at least 60 days before the expiration date of the policy.

**2. Increase Of Premium**

If we increase your renewal premium, we will mail or deliver to the first Named Insured written notice of our intent to increase the premium at least 30 days before the effective date of the premium increase.

Any notice of nonrenewal or renewal premium increase will be mailed or delivered to the first Named Insured's last known address. If notice is mailed, it will be by registered or first class mail. Proof of mailing will be sufficient proof of notice.

## PENNSYLVANIA NOTICE

An Insurance Company, its agents, employees, or service contractors acting on its behalf, may provide services to reduce the likelihood of injury, death or loss. These services may include any of the following or related services incident to the application for, issuance, renewal or continuation of, a policy of insurance:

1. Surveys;
2. Consultation or advice; or
3. Inspections.

The "Insurance Consultation Services Exemption Act" of Pennsylvania provides that the Insurance Company, its agents, employees or service contractors acting on its behalf, is not liable for damages from injury, death or loss occurring as a result of any act or omission by any person in the furnishing of or the failure to furnish these services.

The Act does not apply:

1. If the injury, death or loss occurred during the actual performance of the services and was caused by the negligence of the Insurance Company, its agents, employees or service contractors;
2. To consultation services required to be performed under a written service contract not related to a policy of insurance; or
3. If any acts or omissions of the Insurance Company, its agents, employees or service contractors are judicially determined to constitute a crime, actual malice, or gross negligence.

### Instruction to Policy Writers

Attach the Pennsylvania Notice to all new and renewal certificates insuring risks located in Pennsylvania.

**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 micro-processors;
      - (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.**

## **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.



## MARKEL INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### DATA COMPROMISE COVERAGE RESPONSE EXPENSES AND DEFENSE AND LIABILITY

Throughout this Coverage Endorsement (hereinafter referred to as "Data Compromise Coverage"), the words "you" and "your" refer to the Named Insured(s) shown in the Supplemental Declarations of this Data Compromise Coverage and any other person(s) or organization(s) qualifying as a Named Insured under this Data Compromise Coverage. The words "we", "us" and "our" refer to the company providing this insurance.

Other words and phrases that appear in "quotations" have special meaning. Refer to DEFINITIONS.

The terms and conditions of the Cancellation Clause of the Common Policy Conditions and any amendment to such terms incorporated by endorsement are hereby incorporated herein and shall apply to coverage as is afforded by this Data Compromise Coverage, unless specifically stated otherwise in an endorsement(s) attached hereto.

#### SECTION 1 – RESPONSE EXPENSES

##### DATA COMPROMISE COVERED CAUSE OF LOSS

Coverage under this Data Compromise Coverage endorsement applies only if all of the following conditions are met:

1. There has been a "personal data compromise"; and
2. Such "personal data compromise" is first discovered by you during the policy period for which this Data Compromise Coverage endorsement is applicable; and
3. Such "personal data compromise" is reported to us within 60 days after the date it is first discovered by you.

##### COVERAGE – SECTION 1

If the three conditions listed above in DATA COMPROMISE COVERED CAUSE OF LOSS have been met, then we will provide coverage for the following expenses when they arise directly from the covered cause of loss and are necessary and reasonable. Coverages 4 and 5 apply only if there has been a notification of the "personal data compromise" to "affected individuals" as covered under coverage 3.

##### 1. Forensic IT Review

Professional information technologies review if needed to determine, within the constraints of what is possible and reasonable, the nature and extent of the "personal data compromise" and the number and identities of the "affected individuals".

This does not include costs to analyze, research or determine any of the following:

- a. Vulnerabilities in systems, procedures or physical security;
- b. Compliance with PCI or other industry security standards; or
- c. The nature or extent of loss or damage to data that is not "personally identifying information" or "personally sensitive information".

If there is reasonable cause to suspect that a covered "personal data compromise" may have occurred, we will pay for costs covered under Forensic IT Review, even if it is eventually determined that there was no covered "personal data compromise". However, once it is determined that there was no covered "personal data compromise", we will not pay for any further costs.

##### 2. Legal Review

Professional legal counsel review of the "personal data compromise" and how you should best respond to it.

If there is reasonable cause to suspect that a covered “personal data compromise” may have occurred, we will pay for costs covered under Legal Review, even if it is eventually determined that there was no covered “personal data compromise”. However, once it is determined that there was no covered “personal data compromise”, we will not pay for any further costs.

### **3. Notification to Affected Individuals**

We will pay your necessary and reasonable costs to provide notification of the “personal data compromise” to “affected individuals”.

### **4. Services to Affected Individuals**

We will pay your necessary and reasonable costs to provide the following services to “affected individuals”.

a. The following services apply to any “personal data compromise”.

**1) Informational Materials**

A packet of loss prevention and customer support information.

**2) Help Line**

A toll-free telephone line for “affected individuals” with questions about the “personal data compromise”. Where applicable, the line can also be used to request additional services as listed in b. 1) and 2).

b. The following additional services apply to “personal data compromise” events involving “personally identifying information”.

**1) Credit Report and Monitoring**

A credit report and an electronic service automatically monitoring for activities affecting an individual’s credit records. This service is subject to the “affected individual” enrolling for this service with the designated service provider.

**2) Identity Restoration Case Management**

As respects any “affected individual” who is or appears to be a victim of “identity theft” that may reasonably have arisen from the “personal data compromise”, the services of an identity restoration professional who will assist that “affected individual” through the process of correcting credit and other records and, within the constraints of what is possible and reasonable, restoring control over his or her personal identity.

### **5. PR Services**

Professional public relations firm review of and response to the potential impact of the “personal data compromise” on your business relationships.

This includes costs to implement public relations recommendations of such firm. This may include advertising and special promotions designed to retain your relationship with “affected individuals”. However, we will not pay for promotions:

- a. Provided to any of your directors or employees; or;
- b. Costing more than \$25 per “affected individual”.

### **6. Regulatory Fines and Penalties**

Any fine or penalty imposed, to the extent such fine or penalty is legally insurable under the law of the applicable jurisdiction.

### **7. PCI Fines and Penalties**

Any Payment Card Industry fine or penalty imposed under a contract to which you are a party. PCI Fines and Penalties do not include any increased transaction costs.

## **LIMITS – SECTION 1**

The most we will pay under Response Expenses coverage is the Data Compromise Response Expenses Limit indicated for this endorsement.

The Data Compromise Response Expenses Limit is an annual aggregate limit. This amount is the most we will pay for the total of all loss covered under Section 1 arising out of all “personal data compromise” events which are first discovered by

you during the present annual policy period. This limit applies regardless of the number of “personal data compromise” events discovered by you during that period.

A “personal data compromise” may be first discovered by you in one policy period but cause covered costs in one or more subsequent policy periods. If so, all covered costs arising from such “personal data compromise” will be subject to the Data Compromise Response Expenses Limit applicable to the policy period when the “personal data compromise” was first discovered by you.

The most we will pay under Response Expenses coverage for loss arising from any “malware-related compromise” is the Named Malware (Sec. 1) sublimit indicated for this endorsement. For the purpose of the Named Malware (Sec. 1) sublimit, all “malware-related compromises” that are caused, enabled or abetted by the same virus or other malicious code are considered to be a single “personal data compromise”. This sublimit is part of, and not in addition to the Data Compromise Response Expenses Limit.

The most we will pay under Forensic IT Review, Legal Review, PR Services, Regulatory Fines and Penalties and PCI Fines and Penalties coverages for loss arising from any one “personal data compromise” is the applicable sublimit for each of those coverages indicated for this endorsement. These sublimits are part of, and not in addition to, the Data Compromise Response Expenses Limit. PR Services coverage is also subject to a limit per “affected individual” as described in 5. PR Services.

Coverage for Services to “affected individuals” is limited to costs to provide such services for a period of up to one year from the date of the notification to the “affected individuals”. Notwithstanding, coverage for Identity Restoration Case Management services initiated within such one year period may continue for a period of up to one year from the date such Identity Restoration Case Management services are initiated.

## **DEDUCTIBLE – SECTION 1**

Response Expenses coverage is subject to the Response Expenses Deductible indicated for this endorsement. You shall be responsible for such deductible amount as respects each “personal data compromise” covered under this endorsement.

## **SECTION 2 – DEFENSE AND LIABILITY**

### **DEFENSE AND LIABILITY COVERED CAUSE OF LOSS**

Coverage under this Data Compromise Coverage endorsement applies only if all three of the conditions in DATA COMPROMISE COVERED CAUSE OF LOSS are met.

Only with regard to Section 2 – Defense and Liability coverage, the following conditions must also be met:

1. You have provided notifications and services to “affected individuals” in consultation with us pursuant to Response Expenses coverage; and
2. You receive notice of a “data compromise suit” brought by one or more “affected individuals” or by a governmental entity on behalf of one or more “affected individuals”; and
3. Notice of such “data compromise suit” is received by you within two years of the date that the “affected individuals” are notified of the “personal data compromise”; and
4. Such “data compromise suit” is reported to us as soon as practicable, but in no event more than 60 days after the date it is first received by you.

### **COVERAGE – SECTION 2**

If all of the conditions listed above in DEFENSE AND LIABILITY COVERED CAUSE OF LOSS have been met, then we will provide coverage for “data compromise defense costs” and “data compromise liability” directly arising from the covered cause of loss.

### **LIMITS – SECTION 2**

The most we will pay under Defense and Liability coverage (other than post-judgment interest) is the Data Compromise Defense and Liability Limit indicated for this endorsement. If no limit is shown or is shown as Excluded on the Data Compromise Supplemental Declarations, then the Data Compromise Defense and Liability coverage will be considered to have a limit of \$0.

The Data Compromise Defense and Liability Limit is an annual aggregate limit. This amount is the most we will pay for all loss covered under Section 2 (other than post-judgment interest) arising out of all “personal data compromise” events



which are first discovered by you during the present annual policy period. This limit applies regardless of the number of "personal data compromise" events discovered by you during that period.

A "personal data compromise" may be first discovered by you in one policy period but cause covered costs in one or more subsequent policy periods. If so, all covered costs arising from such "personal data compromise" (other than post-judgment interest) will be subject to the Data Compromise Defense and Liability Limit applicable to the policy period when the "personal data compromise" was first discovered by you.

The most we will pay under Defense and Liability coverage for loss arising from any "malware-related compromise" is the Named Malware (Sec. 2) sublimit indicated for this endorsement. For the purpose of the Named Malware (Sec. 2) sublimit, all "malware-related compromises" that are caused, enabled or abetted by the same virus or other malicious code are considered to be a single "personal data compromise". This sublimit is part of, and not in addition to, the Defense and Liability Limit. If no sublimit is shown or is shown as Excluded on the Data Compromise Supplemental Declarations, then the Named Malware (Sec. 2) coverage will be considered to have a sublimit of \$0.

## **DEDUCTIBLE – SECTION 2**

Defense and Liability coverage is subject to the Defense and Liability Deductible indicated for this endorsement. You shall be responsible for such deductible amount as respects each "data compromise suit" covered under this endorsement.

## **EXCLUSIONS, ADDITIONAL CONDITIONS AND DEFINITIONS APPLICABLE TO BOTH SECTION 1 AND SECTION 2**

### **EXCLUSIONS**

The following additional exclusions apply to this coverage:

We will not pay for costs arising from the following:

1. Your intentional or willful complicity in a "personal data compromise".
2. Any criminal, fraudulent or dishonest act, error or omission, or any intentional or knowing violation of the law by you.
3. Any "personal data compromise" that first occurred prior to the first inception of this Data Compromise Coverage endorsement or any other coverage substantially similar to that described in this endorsement.
4. Costs to research or correct any deficiency. This includes, but is not limited to, any deficiency in your systems, procedures or physical security that may have contributed to a "personal data compromise".
5. Any criminal investigations or proceedings.
6. Any extortion or blackmail. This includes, but is not limited to, ransom payments and private security assistance.
7. Your reckless disregard for the security of "personally identifying information" or "personally sensitive information" in your care, custody or control.
8. That part of any "data compromise suit" seeking any non-monetary relief.

### **ADDITIONAL CONDITIONS**

The following Additional Conditions apply to all coverages under this endorsement.

#### **A. Data Compromise Liability Defense**

1. We shall have the right and the duty to assume the defense of any applicable "data compromise suit" against you. You shall give us such information and cooperation as we may reasonably require.
2. You shall not admit liability for or settle any "data compromise suit" or incur any defense costs without our prior written consent.
3. If you refuse to consent to any settlement recommended by us and acceptable to the claimant, we may then withdraw from your defense by tendering control of the defense to you. From that point forward, you shall, at your own expense, negotiate or defend such "data compromise suit" independently of us. Our liability shall not exceed the amount for which the claim or suit could have been settled if such recommendation was consented to, plus defense costs incurred by us, and defense costs incurred by you with our written consent, prior to the date of such refusal.
4. We shall not be obligated to pay any damages or defense costs, or to defend or continue to defend any "data compromise suit", after the Data Compromise Defense and Liability Limit has been exhausted.

5. We shall pay all interest on that amount of any judgment within the Data Compromise Defense and Liability Limit which accrues:
  - a. After entry of judgment; and
  - b. Before we pay, offer to pay or deposit in court that part of the judgment within the Data Compromise Defense and Liability Limit or, in any case, before we pay or offer to pay the entire Data Compromise Defense and Liability Limit.

These interest payments shall be in addition to and not part of the Data Compromise Defense and Liability Limit.

#### **B. Duties in the Event of a “Data Compromise Suit”**

1. If a “data compromise suit” is brought against you, you must:
  - a. Immediately record the specifics of the “data compromise suit” and the date received; and
  - b. Provide us with written notice, as soon as practicable, but in no event more than 60 days after the date the “data compromise suit” is first received by you.
  - c. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the “data compromise suit”;
  - d. Authorize us to obtain records and other information;
  - e. Cooperate with us in the investigation, settlement or defense of the “data compromise suit”;
  - f. Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to you because of loss to which this insurance may also apply; and
  - g. Not take any action, or fail to take any required action, that prejudices your rights or our rights with respect to such “data compromise suit”.
2. You may not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our prior written consent.
3. If you become aware of a claim or complaint that may become a “data compromise suit”, you shall promptly inform us of such claim or complaint.

#### **C. Due Diligence**

You agree to use due diligence to prevent and mitigate costs covered under this endorsement. This includes, but is not limited to, complying with, and requiring your vendors to comply with, reasonable and industry-accepted protocols for:

1. Providing and maintaining appropriate physical security for your premises, computer systems and hard copy files;
2. Providing and maintaining appropriate computer and Internet security;
3. Maintaining and updating at appropriate intervals backups of computer data;
4. Protecting transactions, such as processing credit card, debit card and check payments; and
5. Appropriate disposal of files containing “personally identifying information” or “personally sensitive information”, including shredding hard copy files and destroying physical media used to store electronic data.

#### **D. Legal Advice**

We are not your legal advisor. Our determination of what is or is not covered under this Data Compromise Coverage endorsement does not represent advice or counsel from us about what you should or should not do.

#### **E. Pre-Notification Consultation**

You agree to consult with us prior to the issuance of notification to “affected individuals”. We assume no responsibility under this Data Compromise Coverage for any services promised to “affected individuals” without our prior agreement. If possible, this pre-notification consultation will also include the designated service provider(s) as agreed to under Additional Condition F. Service Providers. You must provide the following at our pre-notification consultation with you:

1. The exact list of “affected individuals” to be notified, including contact information.
2. Information about the “personal data compromise” that may appropriately be communicated with “affected individuals”.

3. The scope of services that you desire for the “affected individuals”. For example, coverage may be structured to provide fewer services in order to make those services available to more “affected individuals” without exceeding the available Response Expenses Limit.

#### **F. Service Providers**

1. We will only pay under this Data Compromise Coverage for services that are provided by service providers approved by us. You must obtain our prior approval for any service provider whose expenses you want covered under this Data Compromise Coverage. We will not unreasonably withhold such approval.
2. Prior to the Pre-Notification Consultation described in Additional Condition E. above, you must come to agreement with us regarding the service provider(s) to be used for the Notification to Affected Individuals and Services to Affected Individuals. We will suggest a service provider. If you prefer to use an alternate service provider, our coverage is subject to the following limitations:
  - a. Such alternate service provider must be approved by us;
  - b. Such alternate service provider must provide services that are reasonably equivalent or superior in both kind and quality to the services that would have been provided by the service provider we had suggested; and
  - c. Our payment for services provided by any alternate service provider will not exceed the amount that we would have paid using the service provider we had suggested.

#### **G. Services**

The following conditions apply as respects any services provided to you or any “affected individual” by us, our designees or any service firm paid for in whole or in part under this Data Compromise coverage:

1. The effectiveness of such services depends on your cooperation and assistance.
2. All services may not be available or applicable to all individuals. For example, “affected individuals” who are minors or foreign nationals may not have credit records that can be provided or monitored. Service in Canada will be different from service in the United States and Puerto Rico in accordance with local conditions.
3. We do not warrant or guarantee that the services will end or eliminate all problems associated with the covered events.
4. You will have a direct relationship with the professional service firms paid for in whole or in part under this coverage. Those firms work for you.

#### **DEFINITIONS**

With respect to the provisions of this endorsement only, the following definitions are added:

1. "Affected Individual" means any person who is your current, former or prospective customer, client, member, owner, director or employee and whose “personally identifying information” or “personally sensitive information” is lost, stolen, accidentally released or accidentally published by a “personal data compromise” covered under this endorsement. This definition is subject to the following provisions:
  - a. “Affected individual” does not include any business or organization. Only an individual person may be an “affected individual”.
  - b. An “affected individual” must have a direct relationship with your interests as insured under this policy. The following are examples of individuals who would not meet this requirement:
    - 1) If you aggregate or sell information about individuals as part of your business, the individuals about whom you keep such information do not qualify as “affected individuals”. However, specific individuals may qualify as “affected individuals” for another reason, such as being an employee of yours.
    - 2) If you store, process, transmit or transport records, the individuals whose “personally identifying information” or “personally sensitive information” you are storing, processing, transmitting or transporting for another entity do not qualify as “affected individuals”. However, specific individuals may qualify as “affected individuals” for another reason, such as being an employee of yours.
    - 3) You may have operations, interests or properties that are not insured under this policy. Individuals who have a relationship with you through such other operations, interests or properties do not qualify as “affected individuals”. However, specific individuals may qualify as “affected individuals” for another reason, such as being an employee of the operation insured under this policy.

- c. An “affected individual” may reside anywhere in the world.
2. "Data Compromise Defense Costs" means expenses resulting solely from the investigation, defense and appeal of any “data compromise suit” against you. Such expenses must be reasonable and necessary. They will be incurred by us. They do not include your salaries or your loss of earnings. They do include premiums for any appeal bond, attachment bond or similar bond, but without any obligation to apply for or furnish any such bond.
3. "Data Compromise Liability"
- a. “Data compromise liability” means the following, when they arise from a “data compromise suit”:
    - 1) Damages, judgments or settlements to “affected individuals”;
    - 2) Defense costs added to that part of any judgment paid by us, when such defense costs are awarded by law or court order; and
    - 3) Pre-judgment interest on that part of any judgment paid by us.
  - b. “Data compromise liability” does not mean:
    - 1) Damages, judgments or settlements to anyone who is not an “affected individual”;
    - 2) Civil or criminal fines or penalties imposed by law;
    - 3) Punitive or exemplary damages;
    - 4) The multiplied portion of multiplied damages;
    - 5) Taxes; or
    - 6) Matters which may be deemed uninsurable under the applicable law.
4. "Data Compromise Suit"
- a. “Data Compromise Suit” means a civil proceeding in which damages to one or more “affected individuals” arising from a “personal data compromise” or the violation of a governmental statute or regulation are alleged. Such proceeding must be brought in the United States of America, Puerto Rico or Canada. "Data compromise suit" includes:
    - 1) An arbitration proceeding in which such damages are claimed and to which you must submit or do submit with our consent;
    - 2) Any other alternative dispute resolution proceeding in which such damages are claimed and to which you submit with our consent; or
    - 3) A written demand for money, when such demand could reasonably result in a civil proceeding as described in this definition.
  - b. “Data compromise suit” does not mean any demand or action brought by or on behalf of someone who is:
    - 1) Your director or officer;
    - 2) Your owner or part-owner; or
    - 3) A holder of your securities;in their capacity as such, whether directly, derivatively, or by class action. “Data compromise suit” will include proceedings brought by such individuals in their capacity as “affected individuals”, but only to the extent that the damages claimed are the same as would apply to any other “affected individual”.
  - c. “Data compromise suit” does not mean any demand or action brought by an organization, business, institution, or any other party that is not an “affected individual” or governmental entity. “Data compromise suit” does not mean any demand or action brought on behalf of an organization, business, institution, governmental entity or any other party that is not an “affected individual”.
5. “Identity Theft” means the fraudulent use of “personally identifying information”. This includes fraudulently using such information to establish credit accounts, secure loans, enter into contracts or commit crimes.
- “Identity theft” does not include the fraudulent use of a business name, d/b/a or any other method of identifying a business activity.

6. "Malware-Related Compromise" means a "personal data compromise" that is caused, enabled or abetted by a virus or other malicious code that, at the time of the "personal data compromise", is named and recognized by the CERT® Coordination Center, McAfee®, Secunia, Symantec or other comparable third party monitors of malicious code activity.
7. "Personal Data Compromise" means the loss, theft, accidental release or accidental publication of "personally identifying information" or "personally sensitive information" as respects one or more "affected individuals". If the loss, theft, accidental release or accidental publication involves "personally identifying information", such loss, theft, accidental release or accidental publication must result in or have the reasonable possibility of resulting in the fraudulent use of such information. This definition is subject to the following provisions:
  - a. At the time of the loss, theft, accidental release or accidental publication, the "personally identifying information" or "personally sensitive information" need not be at the insured premises but must be in the direct care, custody or control of:
    - 1) You; or
    - 2) A professional entity with which you have a direct relationship and to which you (or an "affected individual" at your direction) have turned over (directly or via a professional transmission or transportation provider) such information for storage, processing, transmission or transportation of such information.
  - b. "Personal data compromise" includes disposal or abandonment of "personally identifying information" or "personally sensitive information" without appropriate safeguards such as shredding or destruction, subject to the following provisions:
    - 1) The failure to use appropriate safeguards must be accidental and not reckless or deliberate; and
    - 2) Such disposal or abandonment must take place during the time period for which this Data Compromise Coverage endorsement is effective.
  - c. "Personal data compromise" includes situations where there is a reasonable cause to suspect that such "personally identifying information" or "personally sensitive information" has been lost, stolen, accidentally released or accidentally published, even if there is no firm proof.
  - d. All incidents of "personal data compromise" that are discovered at the same time or arise from the same cause will be considered one "personal data compromise".
8. "Personally Identifying Information" means information, including health information, that could be used to commit fraud or other illegal activity involving the credit, access to health care or identity of an "affected individual". This includes, but is not limited to, Social Security numbers or account numbers.

"Personally identifying information" does not mean or include information that is otherwise available to the public, such as names and addresses.
9. "Personally Sensitive Information" means private information specific to an individual the release of which requires notification of "affected individuals" under any applicable law.

"Personally sensitive information" does not mean or include "personally identifying information".

All other terms and conditions remain unchanged.



# MARKEL INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## HONOR ROLL ELITE COMMERCIAL PROPERTY ENHANCEMENT

This endorsement modifies insurance provided under the following:

- BUILDING AND PERSONAL PROPERTY COVERAGE FORM
- BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM
- BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM
- CAUSES OF LOSS – SPECIAL FORM
- EXTRA EXPENSE COVERAGE FORM

THE AMENDMENTS AND EXTENSIONS OF COVERAGE DETAILED BELOW ARE ADDED TO THIS POLICY IF THE APPLICABLE POLICY COVERAGE IS SPECIFICALLY IDENTIFIED IN THE DECLARATIONS. THESE EXTENSIONS OF COVERAGE WILL APPLY, WHERE AVAILABLE:

1. SEPARATELY TO EACH OF YOUR PREMISES DESCRIBED IN THE DECLARATIONS UNLESS OTHERWISE STATED IN AN AMENDMENT OR EXTENSION OF COVERAGE; AND
2. ONLY IF THE POLICY COVERAGE(S) THAT CORRESPOND TO EACH AMENDMENT AND EXTENSION SCHEDULED BELOW ARE SHOWN IN THE DECLARATIONS AS COVERED BY YOUR POLICY.

As respects any coverage or extension provided by this endorsement, if higher limits are provided on any other Schedule, Declarations or endorsement attached to this policy, then the limits and coverage provided by this endorsement will not apply for that coverage.

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the deductible. The deductible provisions do not preclude the imposition of any applicable coverage waiting period, as stated in a specific coverage section of this endorsement. Unless a separate deductible amount is shown in a specific coverage section of this endorsement, we will not pay for loss or damage in any one occurrence under any coverage on this endorsement until the amount of loss or damage exceeds the lesser of the Building or Business Personal Property deductible applicable to the highest valued building in the Schedule at the covered location at the time of loss. Deductibles do not reduce the amount of insurance.

THE FOLLOWING TYPES OF AMENDMENTS REFLECT CHANGES TO THE COVERAGES AND EXTENSIONS UNDER THE BUILDING AND PERSONAL PROPERTY COVERAGE FORM:

SCHEDULE OF COVERAGES	LIMIT OF INSURANCE	TYPE OF AMENDMENT
Broadened Definition Of Building	*	Extension Of Covered Property – Building
Broadened Definition Of Your Business Personal Property:	*	Extension Of Covered Property – Business Personal Property
Equipment And Personal Property (Including Athletics)		
Tenants' Building Glass		
Animals Used For School Teaching Activities		
<b>ADDITIONAL COVERAGES</b>		

SCHEDULE OF COVERAGES	LIMIT OF INSURANCE	TYPE OF AMENDMENT
Debris Removal	\$250,000	Increased Limit
Preservation Of Property	180 Days	Increased Time Period
Fire Department Service Charge	Actual Loss Sustained	Change In Limit
Pollutant Clean-up And Removal	\$100,000	Increased Limit
Electronic Data Processing Equipment (Including Extra Expense, Software And Transit)	\$100,000 Equipment; \$50,000 Software (including duplicate) and Extra Expense	Additional Coverage
Refrigerated Goods Spoilage	\$25,000	Additional Coverage
Accounts Receivable	\$250,000	Additional Coverage
Fine Arts	\$100,000 Per Occurrence/ \$5,000 Per Item	Additional Coverage
Exhibition Coverage	\$25,000	Additional Coverage
Salespersons' Samples Coverage	\$25,000	Additional Coverage
Processors' Coverage	\$25,000	Additional Coverage
Fire Protection Device Recharge	\$25,000	Additional Coverage
Loss Data Preparation	\$25,000	Additional Coverage
Money And Securities	\$50,000	Additional Coverage
Criminal Reward	\$25,000	Additional Coverage
Kidnap And Ransom Expense	\$50,000	Additional Coverage
Contractual Penalties	\$25,000 Per Occurrence/ \$100,000 Annual Aggregate	Additional Coverage
<b>COVERAGE EXTENSIONS</b>		
Newly Acquired Or Constructed Property:		Increased Limit And Period
Buildings	\$1,000,000	
Your Business Personal Property	\$1,000,000	
Period Of Coverage	180 Days	
Personal Effects And Property Of Others	\$50,000	Increased Limit
Valuable Papers And Records (Other Than Electronic Data)	\$250,000	Increased Limit
Property Off-premises	\$100,000	Increased Limit
Outdoor Property	\$50,000 Per Occurrence; \$2,500 Per Tree, Shrub Or Plant	Increased Limit
Automated External Defibrillators	\$15,000	Coverage Extension
Broadened Water Damage (Not Flood-related)	\$100,000	Coverage Extension
Emergency Vacating Expenses	\$15,000	Coverage Extension
Inflation Guard	4%	Coverage Extension
Lawn Coverage	\$2,000	Coverage Extension
Premises Limitation	1,000 Feet	Increased Distance
Property Of Your Students	\$50,000 Per Occurrence; \$5,000 Per Student Personal Property	Coverage Extension

SCHEDULE OF COVERAGES	LIMIT OF INSURANCE	TYPE OF AMENDMENT
Worldwide Personal Property	\$10,000	Coverage Extension
Rented, Borrowed And Leased Equipment	\$100,000	Coverage Extension
Revised Valuation Provision	*	Amended Loss Condition
Revised Vacancy Provision	*	Amended Loss Condition
Replacement Cost – Personal Property Of Others	*	Included

THE FOLLOWING TYPES OF AMENDMENTS REFLECT CHANGES TO THE COVERAGES UNDER THE BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM, BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM OR EXTRA EXPENSE COVERAGE FORM:

SCHEDULE OF COVERAGES	LIMIT OF INSURANCE	TYPE OF AMENDMENT
Utility Services – Business Income	\$100,000	Included

THE FOLLOWING TYPES OF AMENDMENTS REFLECT CHANGES TO THE COVERAGES UNDER THE CAUSES OF LOSS – SPECIAL FORM:

SCHEDULE OF COVERAGES	LIMIT OF INSURANCE	TYPE OF AMENDMENT
Personal Property In The Open	*	Amended Cause Of Loss
Theft Loss To Furs, Fur Garments	\$5,000	Increased Limit
Theft Loss To Jewelry, Watches, Watch Movements	\$5,000	Increased Limit
Theft Loss To Gold, Silver, Platinum And Alloys Used In Manufacturing	\$25,000	Increased Limit
Patterns, Dies And Molds	*	Extension Of Covered Property – Building
<b>ADDITIONAL COVERAGE EXTENSIONS</b>		
Property In Transit	\$100,000	Additional Coverage Extension
Lock Replacement	\$25,000	Additional Coverage Extension

\*A sublimit does not apply to this coverage. Coverage is included within the applicable Building or Business Personal Property limit.

If 2 or more of this endorsement's Coverages, Additional Coverages or Extensions apply to the same loss, the most that we will pay for that loss is the actual amount of loss or damage, but no more than the highest limit of insurance for the Coverages, Additional Coverages or Extensions that applies.

**I. THE BUILDING AND PERSONAL PROPERTY COVERAGE FORM IS AMENDED AS FOLLOWS:**

**A. Broadened Definition Of Building**

The following is added to Covered Property, Building in Section A. Coverage:

Miscellaneous structures and outdoor fixtures, including:

- (a) Tent platforms;
- (b) Pavilions and shelters;
- (c) Docks, piers, floats, beach and diving platforms and appurtenances;
- (d) Boat and canoe racks;



- (e) Athletic backstops, artificial surfaces and enclosures;
- (f) Climbing walls, climbing structures and climbing towers; however, the following is **not** covered: adventure courses, which are defined as rope courses, including the ropes, poles, supporting structures, cables and pulleys;
- (g) Swimming pools;
- (h) Pumps, filters and metal smoke stacks;
- (i) Above ground transmission lines;
- (j) Roadways, walks, patios and other paved surfaces;
- (k) Foundations of your buildings or structures if the foundations are below the basement floor or the surface of the ground, if there is no basement;
- (l) Retaining walls;
- (m) Awnings and canopies, whether or not attached to a building; and
- (n) Antennas, including satellite dishes.

These additional items are deleted from Property Not Covered, where applicable.

## **B. Broadened Definition Of Your Business Personal Property**

The following are added to Covered Property, Your Business Personal Property in Section A. Coverage:

### **Equipment And Personal Property (Including Athletic Equipment And Uniforms And Musical Instruments And Band Uniforms)**

Special types of business personal property, including:

- (a) Athletic and sports equipment, waterfront and pool equipment and supplies, and arts and crafts supplies;
- (b) Maintenance equipment and tools, office equipment and supplies, first aid and infirmary supplies, dry groceries, kitchen supplies and utensils and inventory from the insured's supply store;
- (c) Canoes, kayaks, windsurfers and boats under 21 feet in length, whether in or out of the water, and related equipment and outboard motors 30 horsepower and under;
- (d) Tents, beds and bedding and camping equipment;
- (e) Personal property that is owned by you in dwellings or living quarters furnished by you to staff members;
- (f) Your musical instruments, band uniforms and athletic uniforms; and
- (g) Other similar business personal property that is owned by you and used in your business.

These additional items are deleted from Property Not Covered, where applicable.

With respect to the types of business personal property or property of others described above in this endorsement, the distance from premises limitation does not apply.

### **Tenants' Building Glass**

We will pay for direct physical loss of or damage to building glass at covered properties caused by or resulting from a

Covered Cause of Loss provided that:

- (a) You are a tenant of the building shown in the Declarations; and
- (b) You have a contractual responsibility to insure the building glass or pay for loss or damage to that property.

The value of property covered under this endorsement will be determined in accordance with the Valuation condition applicable under the Coverage Form or policy, or at the amount for which you are liable under contract, whichever is less. If required by law, glass is covered at the cost of replacement with safety glazing material, subject to the available limit of insurance applicable to the covered Business Personal Property.

#### **Animals Used For School Teaching Activities**

Owned and non-owned animals in your care, custody or control which are used as part of your school teaching activities on the described premises.

The following exclusions apply in addition to those exclusions contained in this policy:

- (a) Sickness or disease;
- (b) Theft; or
- (c) Death arising out of, resulting from, or in any way related to testing or experiments.

These additional items are deleted from Property Not Covered, where applicable.

#### **C. The following Additional Coverages are amended:**

##### **Debris Removal**

Paragraph (4) of Debris Removal is replaced by the following:

- (4) We will pay up to an additional amount shown in the Schedule of this endorsement 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 damage or loss.
  - (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 the limit for Debris Removal shown in the Schedule of this endorsement.

##### **Preservation Of Property**

The number of days in Paragraph (2) is increased from 30 days to the number of days shown in the Schedule of this endorsement.

##### **Fire Department Service Charge**

Fire Department Service Charge is replaced by the following:

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay the actual amount charged for service at each premises described in the Declarations. We will pay the actual amount charged 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.

### **Pollutant Clean-up And Removal**

The limit of insurance for Pollutant Clean-up And Removal is replaced by the limit shown in the Schedule of this endorsement.

### **Electronic Data Processing Equipment (Including Extra Expense, Software And Transit)**

Electronic Data is replaced by the following:

- (1) We will pay for:
  - (a) Loss or damage to equipment, meaning your:
    - (i) Electronic data processing, word processing and telecommunications equipment, including their component parts;
    - (ii) Facsimile machines;
    - (iii) Photocopy machines;
    - (iv) Radio and television equipment and related peripheral equipment;
    - (v) "Emergency" sirens/horns and traffic control override devices that are permanently installed at your premises; and
    - (vi) Computers, printers, scanners, modems, and related peripheral equipment.
  - (b) Loss or damage to software, meaning electronic data, computer programs and media:
    - (i) Electronic data has the meaning described under Property Not Covered, Electronic Data.
    - (ii) Media means the material on which electronic data is recorded.
  - (c) Extra Expense, meaning necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property:
    - (i) To avoid or minimize the "suspension" of business and to continue your normal "operations":
      - i. At the described premises; or
      - ii. At replacement premises or temporary locations, including relocation expenses and costs to equip and operate the replacement or temporary locations;
    - (ii) To minimize "suspension" of business if you cannot continue your normal "operations"; or
    - (iii) To repair or replace the lost information on damaged valuable papers and records to the extent it reduces the amount of loss that otherwise would have been payable under this Extra Expense coverage.
  - (d) Loss or damage to duplicate or back-up electronic data and media which are stored at premises other than those described in the Declarations.

- (2) We will pay for the actual and necessary Extra Expense you incur due to direct physical loss of or damage to:
- (a) Equipment or software which you own, lease or is under your control and is at your described premises or in transit;
  - (b) The building in which the property described in (2)(a) above is located, provided the building is damaged to an extent which prevents access to the property;
  - (c) The air conditioning system that specifically services your equipment; or
  - (d) The electrical or telecommunication system that specifically services your equipment, provided the damage to the system occurs inside or within 1,000 feet of the building housing your electronic data or word processing operation.
- (3) Covered Property does not include:
- (a) Property you loan, rent or lease while it is away from your described premises;
  - (b) Electronic data or media which cannot be replaced with other of the same kind or quality; or
  - (c) Accounts, bills, evidences of debt, valuable papers, abstracts, records, deeds, manuscripts or other documents, unless converted to electronic data, and then only in that form.
- (4) Exclusions: The **CAUSES OF LOSS – SPECIAL FORM** is amended as follows as respects Electronic Data Processing Equipment (Including Extra Expense, Software And Transit):
- (a) The following exclusions are deleted: **2.a., 2.c., 2.d.(2), 2.d.(3), 2.d.(4), 2.d.(5), 2.d.(6), 2.d.(7)(a), 2.e., and 2.i.**
  - (b) The following exclusions are added:
    - Any change in or interruption of:
      - (i) Power supply; or
      - (ii) Telecommunications service;
    - if the change originates more than 1,000 feet away from the premises containing the Covered Property (equipment). But if a loss or damage by fire, explosion or theft results, we will pay for that resulting loss. In addition to the above, we will not pay for any Extra Expense you incur due to:
      - (i) Programming errors or incorrect machine instructions;
      - (ii) Interference by strikers or other persons with repairs to damaged property, or with resumption of normal "operations";
      - (iii) Mechanical or machinery breakdown of any property not named in the Extra Expense coverage;
      - (iv) The suspension, lapse or cancellation of any lease, license or contract beyond the "period of restoration"; or
      - (v) Any other consequential loss.
- (5) Valuation will be determined as follows:
- (a) Equipment: We will adjust a loss to equipment on the basis of replacement cost.

The most we will pay is:

- (i) The amount necessary to repair the equipment;
  - (ii) The amount necessary to replace the equipment with material of the same kind or quality; or
  - (iii) The applicable limit of insurance;
- whichever is less.

**(b) Software:**

- (i) Electronic data (including computer programs): The most we will pay is the actual cost of replacing the data. If it is not replaced or reproduced, we will pay the cost of the blank media.
- (ii) Media: We will value media at the cost to replace the media with material of the same kind or quality.

- (6) If we notify you in writing after we receive your signed, sworn statement of loss, we may take all or part of the damaged property at a value that we will agree upon with you. If we choose, we may also repair the damaged property, or replace it with similar property.
- (7) 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.
- (8) Only with respect to the Additional Coverage, Electronic Data Processing Equipment (Including Extra Expense, Software And Transit), the definition of "period of restoration" is added to the Definitions section:

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

**a. Begins:**

- (1) 72 hours after the time of direct physical loss or damage for Business Income coverage; or
  - (2) Immediately after the time of direct physical loss or damage for Extra Expense coverage;
- caused by or resulting from any Covered Cause of Loss at the described premises; and

**b. Ends the earlier of:**

- (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
- (2) The date when business is resumed at a new permanent location.

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

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

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

**(9) The most we will pay under this Additional Coverage for:**

- (a) Loss or damage to equipment is the Equipment limit shown in the Schedule of this endorsement; and
- (b) Software, Extra Expense and duplicate or back-up electronic data and media, as described in Paragraphs

(1)(b), (c) and (d) above, is the Software (Including Duplicate) And Extra Expense limit shown in the Schedule of this endorsement.

The Honor Roll Elite Deductible shown in the Declarations applies to each occurrence. We will not pay for loss in any one occurrence until the amount of loss exceeds the deductible. We will then pay the amount of loss in excess of the deductible, subject to the available Limit Of Insurance shown in the Schedule of this endorsement.

D. The following **Additional Coverages** are added:

**Refrigerated Goods Spoilage**

(1) We will pay for direct physical loss of or damage to "perishable stock" at or within 1,000 feet of the building, structure or premises described in the Declarations and that is owned by you or by others that is in your care, custody or control, caused by spoilage due to:

(a) Breakdown or contamination, meaning:

(i) Change in temperature or humidity resulting from mechanical breakdown or mechanical failure of refrigerating, cooling or humidity control apparatus or equipment, only while such apparatus is at or within 1,000 feet of the building, structure or premises described in the Declarations; and

(ii) Contamination by the refrigerant; or

(b) Power outage, meaning change in temperature or humidity resulting from complete or partial interruption of electrical power, either on or off the premises described in the Declarations, due to conditions beyond your control.

(2) Section A. Paragraph 5. Coverage Extensions of the Coverage Form does not apply to this Additional Coverage.

(3) Section B. Exclusions And Limitations of the Coverage Form is amended as follows:

(a) Only the following exclusions contained in Paragraph B.1. of the **CAUSES OF LOSS – SPECIAL FORM** apply to this Additional Coverage: Earth Movement; Governmental Action; Nuclear Hazard; War And Military Action; and Water.

(b) The following exclusions are added:

We will not pay for loss or damage caused by or resulting from:

(1) The disconnection of any refrigerating, cooling or humidity control system from the source of power;

(2) The deactivation of electrical power caused by the manipulation of any switch or other device used to control the flow of electrical power or current;

(3) The inability of an Electrical Utility Company or other power source to provide sufficient power due to lack of fuel or governmental order;

(4) The inability of a power source at the described premises to provide sufficient power due to lack of generating capacity to meet demand; or

(5) Breaking of any glass that is a permanent part of any refrigerating, cooling or humidity control unit.

The most we will pay under this Additional Coverage for loss or damage in any one occurrence is the limit shown in the Schedule of this endorsement, regardless of the number of buildings, structures or premises involved.

The Honor Roll Elite Deductible shown in the Declarations applies to each occurrence. We will not pay for loss in any one occurrence until the amount of loss exceeds the deductible. We will then pay the amount of loss in excess

of the deductible, subject to the available Limit Of Insurance shown in the Schedule of this endorsement.

### **Accounts Receivable**

- (1) We will pay for loss of or damage to your records of accounts receivable at the described premises or in or on a vehicle in transit between described premises.

If the records must be removed from a described premises to protect them from the threat of a Covered Cause of Loss, we will pay for the loss while accounts receivable are:

- (a) At a safe place away from your described premises; or
- (b) Being taken to and returned from that place.

- (2) The amount of your accounts receivable loss includes:

- (a) All amounts due from your customers that you are unable to collect;
- (b) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
- (c) Collection expenses in excess of your normal collection expenses that are made necessary by the loss or damage; and
- (d) Other reasonable expenses that you actually incur to reestablish your records of accounts receivable;

that result from direct physical loss or damage by any Covered Cause of Loss to your records of accounts receivable, including credit or charge card slips.

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

- (a) Alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of "money", "securities" or other property. This exclusion applies only to the extent of the wrongful giving, taking or withholding;
- (b) Loss that requires any audit of records or any inventory computation to prove its factual existence;
- (c) Bookkeeping, accounting or billing errors or omissions;
- (d) Unauthorized instructions to transfer property to any person or any place; or
- (e) Theft by any person (except "carriers" for hire) to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

- (4) Accounts receivable loss payment will be determined as follows:

- (a) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage, the following method will be used:
  - (i) Determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss or damage occurs; and
  - (ii) Adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance for that month.

- (b) The following will be deducted from the total amount of accounts receivable, however that amount is

established:

- (i) The amount of the accounts for which there is no loss or damage;
  - (ii) The amount of the accounts that you are able to reestablish or collect;
  - (iii) An amount to allow for probable bad debts that you are normally unable to collect; and
  - (iv) All unearned interest and service charges.
- (c) You will pay us the amount of all recoveries you receive for a loss paid by us. But any recoveries in excess of the amount we have paid belong to you.

Records of accounts receivable are removed from Property Not Covered to the extent they are covered by this Additional Coverage.

The most we will pay under this Additional Coverage is the limit shown in the Schedule of this endorsement.

The Honor Roll Elite Deductible shown in the Declarations applies to each occurrence. We will not pay for loss in any one occurrence until the amount of loss exceeds the deductible. We will then pay the amount of loss in excess of the deductible, subject to the available Limit Of Insurance shown in the Schedule of this endorsement.

### **Fine Arts**

- (1) We will pay for direct physical loss of or damage to Covered Property caused by or resulting from a Covered Cause of Loss.  
Covered Property means "fine arts" owned by you or in your care, custody or control.
- (2) Property Not Covered means property while on exhibition at fairgrounds or on the premises of any national or international exposition, or contraband or property in the course of illegal transportation or trade.
- (3) We will not pay for loss caused by or resulting from any of the following:
- (a) Delay, loss of use, loss of market or any other consequential loss.
  - (b) Dishonest or criminal act (including theft) committed by:
    - (i) You, any of your partners, employees (including temporary employees and leased workers), officers, directors, trustees or authorized representatives;
    - (ii) A manager or a member, if you are a limited liability company; or
    - (iii) Anyone else with an interest in the property, or their employees (including temporary employees and leased workers) or authorized representatives;

whether acting alone or in collusion with each other or with any other party.

This exclusion applies whether or not an act occurs during your normal hours of operation.

This exclusion 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.

- (c) Any repair, restoration or retouching of the Covered Property.
- (d) Wear and tear, any quality in the property that causes it to damage or destroy itself, damage by



"pollutants", gradual deterioration, or damage from insects, vermin or rodents. But if loss by a Covered Cause of Loss results, we will pay for the loss or damage caused by that Covered Cause of Loss.

(e) Theft by any person (except "carriers" for hire) to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party. This exclusion applies whether or not an act occurs during your normal hours of operation.

(4) You must agree that:

(a) Covered Property will be packed and unpacked by professional packers.

(b) In the case of loss or damage to any part of sets or pairs, we may:

(i) Repair or replace any part to restore the pair or set to its value before the loss or damage; or

(ii) Pay the difference between the value of the pair or set before and after the loss or damage.

(5) Valuation will be determined as follows:

The value will be the least of the:

(a) Market value of that property;

(b) Amount for which you are liable, if the property belongs to another;

(c) Cost of reasonably restoring that property to its condition immediately before a loss;

(d) Cost of replacing that property with substantially identical property; or

(e) Amount of insurance stated in this Additional Coverage.

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

The most we will pay for loss or damage under this Additional Coverage is the Per Occurrence limit, subject to the Per Item limit shown in the Schedule of this endorsement.

The Honor Roll Elite Deductible shown in the Declarations applies to each occurrence. We will not pay for loss in any one occurrence until the amount of loss exceeds the deductible. We will then pay the amount of loss in excess of the deductible, subject to the available Limit Of Insurance shown in the Schedule of this endorsement.

### **Exhibition Coverage**

(1) We will pay for direct physical loss of or damage to Covered Property caused by or resulting from a Covered Cause of Loss.

Covered Property means Your Business Personal Property or personal property of others in your care, custody or control, but only while such property is:

(a) At an exhibition;

(b) Held in temporary storage awaiting:

(i) The setup of the exhibition; or

(ii) Its return to its destination following the exhibition; or

(c) In the due course of transit to or from the exhibition.

In no event will coverage apply after the end of the policy period.

(2) Property Not Covered means:

(a) Accounts, bills, currency, deeds, evidences of debt, "money", notes or "securities";

(b) Property while in the mail;

(c) Property while waterborne. However, we will cover property while aboard vessels on inland waterways when waterborne transportation is incidental to the land portion of the journey;

(d) Import shipments until:

(i) Discharged from the import conveyance; or

(ii) Ocean Marine insurance ceases;

whichever occurs last;

(e) Export shipments:

(i) After placed on the outbound conveyance; or

(ii) When Ocean Marine insurance applies to the shipment;

whichever occurs first; or

(f) Contraband, or property in the course of illegal transportation or trade.

(3) Valuation will be determined as follows:

The value will be the least of:

(a) The actual cash value of the property;

(b) The cost of reasonably restoring that property to its condition immediately before loss or damage;

(c) The cost of replacing that property with substantially identical property;

(d) If there is an agreed consigned value for property of others in your care, custody or control, the value of such property will be the lowest agreed consigned value; or

(e) The amount stated in this Additional Coverage.

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

The most we will pay under this Additional Coverage is the limit shown in the Schedule of this endorsement.

### **Salespersons' Samples Coverage**

(1) We will pay for direct physical loss of or damage to Covered Property caused by or resulting from a Covered Cause of Loss.

Covered Property means samples that are owned by you or are the property of others, for which you are legally

liable; but only while such property is:

- (a) In the custody of your salespersons or authorized sales representatives;
- (b) In your custody while acting as a salesperson, if you are an individual; or
- (c) In the due course of transit to or from your premises and the location of your salespersons or authorized sales representatives.

**(2) Property Not Covered means:**

- (a) Property that you loan, lease or rent to others;
- (b) Property held for sale;
- (c) Property while at a premises that is owned, leased or operated by you or your salespersons or authorized sales representatives;
- (d) Accounts, bills, currency, deeds, "money", notes, "securities" or evidences of debt;
- (e) Jewelry, costume jewelry, precious or semiprecious stones, gold, silver, platinum or other precious metals or alloys;
- (f) Furs or garments trimmed with fur;
- (g) Property while waterborne. However, we will cover property while aboard vessels on inland waterways when the waterborne transportation is incidental to the land portion of the journey; or
- (h) Contraband, or property in the course of illegal transportation or trade.

**(3) Valuation will be determined as follows:**

The value will be the least of the following:

- (a) The actual cash value of the property;
- (b) The cost of reasonably restoring that property to its condition immediately before loss or damage;
- (c) The cost of replacing that property with substantially identical property; or
- (d) The amount of insurance stated in this Additional Coverage.

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

The most we will pay under this Additional Coverage is the limit shown in the Schedule of this endorsement.

**Processors' Coverage**

- (1) We will pay for direct physical loss of or damage to Covered Property caused by or resulting from a Covered Cause of Loss.**

Covered Property means property that is owned by you or the property of others for which you are legally liable; but only while such property is:

- (a) In the care, custody or control of a processor; or

(b) In due course of transit to or from a processor;  
for the purpose of performing work upon the property.

(2) Property Not Covered means:

(a) Accounts, bills, currency, deeds, evidences of debt, "money", notes or "securities";

(b) Property at, or in transit to or from, a processor that you own, lease or operate;

(c) Property while in the mail; or

(d) Contraband, or property in the course of illegal transportation or trade.

(3) Valuation will be determined as follows:

The value will be the least of:

(a) The actual cash value of the property;

(b) The cost of reasonably restoring that property to its condition immediately before loss or damage;

(c) The cost of replacing that property with substantially identical property;

(d) The value of property that is unfinished at the time of loss which may include the value of labor, materials or services furnished by the processor, if you have paid the processor for such labor, materials or services. However, the value of the property will not exceed the cost to replace such property; or

(e) The amount of insurance stated in this Additional Coverage.

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

The most we will pay under this Additional Coverage is the limit shown in the Schedule of this endorsement.

#### **Exhibition Coverage, Salespersons' Samples Coverage And Processors' Coverage – Exclusions**

The following exclusions apply to Exhibition Coverage, Salespersons' Samples Coverage and Processors' Coverage.

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

(1) Theft from any unattended vehicle unless, at the time of theft, its windows, doors and compartments were closed and locked and there are visible signs of forced entry. But this exclusion does not apply to property in the custody of a "carrier" for hire.

(2) Delay, loss of use, loss of market or any other consequential loss.

(3) Unexplained disappearance.

(4) Shortage found upon taking inventory.

(5) Dishonest or criminal act (including theft) committed by:

(a) You, any of your partners, employees (including temporary employees and leased workers), officers, directors, trustees or authorized representatives;

- (b) A manager or a member, if you are a limited liability company; or
- (c) Anyone else with an interest in the property, or their employees (including temporary employees and leased workers) or authorized representatives;

whether acting alone or in collusion with each other or with any other party.

This exclusion applies whether or not an act occurs during your normal hours of operation.

This exclusion 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.

- (6) Artificially generated electrical, magnetic or electromagnetic energy that damages, disrupts or otherwise interferes with any:

- (a) Electrical, or electronic wire, device, appliance, system or network; or
- (b) Device, appliance, system or network utilizing cellular or satellite technology;

creating a short circuit or other electric disturbance within an article covered under this Coverage Form.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes, but is not limited to, electrical current including arcing, electrical charge produced or conducted by a magnetic or electromagnetic field, pulse of electromagnetic energy, or electromagnetic waves or microwaves.

But if artificially generated electrical, magnetic or electromagnetic energy, as described above, results in fire or explosion, we will pay for the direct loss or damage caused by that fire or explosion if the fire or explosion would be covered under this Coverage Form.

This exclusion only applies to loss or damage to that article in which the disturbance occurs.

- (7) Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- (8) Unauthorized instructions to transfer property to any person or to any place.
- (9) Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss or damage.
- (10) Wear and tear, depreciation, any quality in the property that causes it to damage or destroy itself, latent or hidden defect, gradual deterioration, damage from "pollutants", breakdown of Covered Property, malfunction or failure of Covered Property to operate, insects, vermin, rodents, corrosion, dust, dampness, or extremes of temperature.

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

- (11) Processing or work upon the property. But if processing or work upon the property results in fire or explosion, we will pay for direct loss or damage caused by that fire or explosion if the fire or explosion would be covered under this Coverage Form.
- (12) Improper packing or stowage, or rough handling.
- (13) Theft by any person (except "carriers" for hire) to whom you entrust the property for any purpose, whether acting

alone or in collusion with any other party.

This exclusion applies whether or not an act occurs during your normal hours of operation.

### **Fire Protection Device Recharge**

We will pay to recharge or refill your fire protective devices that are permanently installed in buildings at described premises. This coverage only applies when such devices have been discharged while being used to combat a covered fire at the premises described in the Declarations, which results in a covered loss.

The most we will pay under this Additional Coverage is the limit shown in the Schedule of this endorsement.

No deductible applies to this Additional Coverage.

### **Loss Data Preparation**

We will pay for reasonable costs you incur in preparing loss data required by the conditions of this policy after a covered property loss. This includes the cost of taking inventory, making appraisals and preparing other data to determine the extent of your loss. This coverage does not include payments for any services rendered by a public adjuster.

The most we will pay under this Additional Coverage is the limit shown in the Schedule of this endorsement.

### **Money And Securities**

**(1)** We will pay for loss of "money" and "securities" used in your business while inside the described premises or "financial institution premises", within your living quarters or the living quarters of your partners or any "employee" having use and custody of the property, or in transit between any of these places:

**(a)** Resulting directly from "theft" committed by a person present inside the described premises or "financial institution premises"; or

**(b)** Resulting directly from disappearance or destruction.

**(2)** We will not pay for:

**(a)** Loss resulting from "theft" or any other dishonest act committed by you or any of your partners or "members", whether acting alone or in collusion with other persons.

**(b)** Loss resulting from "theft" or any other dishonest act committed by any of your "employees", "managers", directors, trustees or authorized representatives:

**(i)** Whether acting alone or in collusion with other persons; or

**(ii)** While performing services for you or otherwise.

**(c)** Loss resulting from accounting or arithmetical errors or omissions.

**(d)** Loss resulting from the giving or surrendering of property in any exchange or purchase.

**(e)** Loss of property contained in any money-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.

**(f)** Loss of "money" or "securities" that is owned by your "students".

**(3)** You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.

**(4)** This insurance does not cover:

**(a) Confidential Or Personal Information**

Loss resulting from:

- (i)** The disclosure or use of another person's or organization's confidential or personal information; or
- (ii)** The disclosure of your confidential or personal information. However, this Paragraph **(4)(a)(ii)** does not apply to loss otherwise covered under this insurance that results directly from use of your confidential or personal information.

For the purpose of this exclusion, confidential or personal information includes, but is not limited to, patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

**(b) Data Security Breach**

Fees, costs, fines, penalties and other expenses incurred by you which are related to the access to or disclosure of another person's or organization's confidential or personal information including, but not limited to, patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

**(c) Virtual Currency**

Loss involving virtual currency of any kind, by whatever name known, whether actual or fictitious including, but not limited to, digital currency, crypto currency or any other type of electronic currency.

**(5) Conditions**

- (a)** All loss or damage caused by one or more persons or involving a single act or series of related acts is considered one occurrence.
- (b)** We will pay only for loss or damage you sustain through acts committed or events occurring during the policy period. Regardless of the number of years this policy remains in force or the number of premiums paid, no limit of insurance cumulates from year to year or period to period.
- (c)** We will pay only for covered loss or damage "discovered" no later than one year from the end of the policy period.
- (d)** If you (or any predecessor in interest) sustained loss or damage during the period of any prior insurance that you could have recovered under that insurance except that the time within which to "discover" loss or damage had expired, we will pay for it under this Additional Coverage, provided:
  - (i)** This Additional Coverage became effective at the time of cancellation or termination of the prior insurance; and
  - (ii)** The loss or damage would have been covered by this Additional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.
- (e)** The insurance under Paragraph **(2)(d)** above is part of, not in addition to, the amount of insurance applying to this Additional Coverage and is limited to the lesser of the amount recoverable under:
  - (i)** This Additional Coverage as of its effective date; or

(ii) The prior insurance, had it remained in effect.

(f) Valuation Settlement

The value of any loss for the purposes of coverage under this insurance will be determined as follows:

(i) Loss of "money", but only up to and including its face value. We may, at our option, pay for loss of "money" issued by any country other than the United States of America:

- i. At face value in the "money" issued by that country; or
- ii. In the United States of America's dollar equivalent, determined by the rate of exchange published by the Wall Street Journal on the day the loss was "discovered"

(ii) Loss of "securities", but only up to and including their value at the close of business on the day the loss was "discovered". We may, at our option:

- i. Pay the market value of such "securities" or replace them in kind, in which event you must assign to us all your rights, title and interest in and to those "securities"; or
- ii. Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the "securities". However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the market value of the "securities" at the close of business on the day the loss was "discovered" or the limit of insurance applicable to the "securities".

Money and securities are removed from Property Not Covered to the extent they are covered by this Additional Coverage.

The most we will pay under this Additional Coverage for loss in any one occurrence is the limit shown in the Schedule of this endorsement.

The Honor Roll Elite Deductible shown in the Declarations applies to each occurrence. We will not pay for loss in any one occurrence until the amount of loss exceeds the deductible. We will then pay the amount of loss in excess of the deductible, subject to the available Limit Of Insurance shown in the Schedule of this endorsement.

**Criminal Reward**

We will pay for information leading to the arrest and conviction of persons responsible for crimes committed against the insured, when any covered loss is deemed suspicious by the police or fire department, and only when the person responsible is convicted of the crime.

The most we will pay under this Additional Coverage is the limit shown in the Schedule of this endorsement.

**Kidnap And Ransom Expense**

We will pay reasonable fees and expenses incurred as a result of the kidnapping of your director or officer, or the spouse, parent, child or "student" of the director or officer, provided the kidnapping occurs during the policy period. Coverage will not apply to any kidnapping by or at the direction of any present or former family member of the victim.

Reasonable fees and expenses include:

- (1) Fees and expenses of independent negotiators or consultants retained with our prior approval;
- (2) Interest on any loan taken by you to pay a ransom demand provided; however, that we will not be liable for any interest accruing prior to 30 days preceding the date of such payment, nor subsequent to the date of reimbursement from us for any portion of loss recoverable under this Additional Coverage;



- (3) Costs of travel and accommodations incurred by you which become necessary due to the kidnapping;
- (4) Reward “money” paid by you, which is preapproved by us, to an informant for information not otherwise available, which leads to the arrest and conviction of persons responsible for loss covered under this Additional Coverage; and
- (5) The current salary of the kidnapped director or officer provided; however, that the director or officer is held for more than 30 days. Salary will be paid for a period commencing upon kidnapping and ceasing upon the earliest of the following:
  - (a) The director’s or officer’s release;
  - (b) Discovery of the death of the director or officer;
  - (c) 120 days after we receive the last credible evidence that the director or officer is still alive;
  - (d) 12 months after the date of kidnapping; or
  - (e) The exhaustion of the Kidnap And Ransom Expense limit.

The most we will pay under this Additional Coverage is the limit shown in the Schedule of this endorsement.

**Contractual Penalties**

We will pay for contractual penalties imposed by written contract between you and your customer. These penalties must:

- (1) Result from your failure to deliver your product on time according to contract terms;
- (2) Result from direct physical loss or damage to Covered Property by a Covered Cause of Loss; and
- (3) Have been paid by you to your customer.

The most we will pay under this Additional Coverage is the limit shown in the Schedule of this endorsement.

E. The following **Coverage Extensions** are amended:

**Newly Acquired Or Constructed Property**

- 1. The last sentence of Paragraph (1) Buildings is replaced by the following:

The most we will pay for loss or damage under this Extension is the limit shown in the Schedule of this endorsement at each building.

- 2. Paragraph (2) Your Business Personal Property, (a) is revised as follows:

- a. The last sentence is replaced by the following:

The most we will pay for loss or damage under this Extension is the limit shown in the Schedule of this endorsement at each building.

- b. The following is added:

If this policy covers Your Business Personal Property, you may extend that insurance to also apply to business personal property that you newly acquire, located at the described premises. This extension is subject to the each building limit stated in Paragraph a. above.

3. The number of days in Paragraph (3) Period of Coverage is increased to the number of days shown in the Schedule of this endorsement.

### **Personal Effects And Property Of Others**

Personal Effects And Property Of Others is replaced by the following:

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

- (1) Personal effects owned by you, your officers, your partners or members, your managers or your employees.
- (2) Personal property of others in your care, custody, or control, excluding personal property belonging to your "students", except as provided in the Extension, Property Of Your Students.

Our payment for loss of or damage to personal property of others will only be for the account of the owner of the property. We can settle all losses with you and make all payments to you at our option.

This property is not covered if it is already insured elsewhere.

The most we will pay for loss or damage under this Extension is the limit shown in the Schedule of this endorsement at each described premises.

The Honor Roll Elite Deductible shown in the Declarations applies to each occurrence. We will not pay for loss in any one occurrence until the amount of loss exceeds the deductible. We will then pay the amount of loss in excess of the deductible, subject to the available Limit Of Insurance shown in the Schedule of this endorsement.

### **Valuable Papers And Records (Other Than Electronic Data)**

Valuable Papers And Records (Other Than Electronic Data) is replaced by the following:

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

- (1) 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.

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 as shown on the Declarations, and, therefore, coverage of such costs is not additional insurance.

- (2) Loss or damage by a Covered Cause of Loss to duplicate valuable papers and records permanently stored at locations other than the described premises.

- (3) The most we will pay under this Coverage Extension:

- (a) To replace or restore lost information at each described premises; and
- (b) For loss or damage to duplicate valuable papers and records at each location other than the described premises;

is the limit shown in the Schedule of this endorsement. Such amount is additional insurance.

The Honor Roll Elite Deductible shown in the Declarations applies to each occurrence. We will not pay for loss in any one occurrence until the amount of loss exceeds the deductible. We will then pay the amount of loss in excess

of the deductible, subject to the available Limit Of Insurance shown in the Schedule of this endorsement.

### **Property Off-premises**

The last sentence is replaced by the following:

The most we will pay for loss or damage under this Extension is the limit shown in the Schedule of this endorsement.

The Honor Roll Elite Deductible shown in the Declarations applies to each occurrence. We will not pay for loss in any one occurrence until the amount of loss exceeds the deductible. We will then pay the amount of loss in excess of the deductible, subject to the available Limit Of Insurance shown in the Schedule of this endorsement.

### **Outdoor Property**

Outdoor Property is replaced by the following:

You may extend the insurance provided by the Coverage Form to apply to each of the following:

#### **(1) Trees, Shrubs And Plants**

Your 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:

- (a) Fire;
- (b) Lightning;
- (c) Explosion;
- (d) Riot or civil commotion;
- (e) Aircraft;
- (f) Vehicles;
- (g) Vandalism;
- (h) Theft or attempted theft;
- (i) Sonic shock waves;
- (j) Falling objects;
- (k) Windstorm; or
- (l) Hail.

#### **(2) Playground Equipment**

Your permanently installed outdoor playground equipment located at the described premises and damaged by a Covered Cause of Loss.

#### **(3) Fences**

Your outdoor fences which are located at the described premises and damaged by a Covered Cause of Loss. Fences are deleted from Property Not Covered, where applicable.

#### **(4) Awnings And Canopies**

Your outdoor awnings and canopies, whether attached to a building or not, which are located at the described premises and damaged by a Covered Cause of Loss.

This Coverage Extension applies only if this policy does not cover Building.

#### **(5) Outdoor Signs, Masts And Towers**

Outdoor signs, whether attached to the building or not, and masts and towers which are located at the described premises and damaged by a Covered Cause of Loss.

The provision referencing outdoor signs in the Limits Of Insurance section is deleted.

Masts and towers are deleted from Property Not Covered.

The most we will pay for loss or damage to trees, shrubs and plants, including debris removal expense, under this Extension is the Per Occurrence limit, subject to the Per Tree, Shrub Or Plant limit, shown in the Schedule of this endorsement. For outdoor property described in Paragraphs (2) through (5) above, the most we will pay for loss or damage under this Extension is the Per Occurrence limit shown in the Schedule of this endorsement. 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 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.

The Honor Roll Elite Deductible shown in the Declarations applies to each occurrence. We will not pay for loss in any one occurrence until the amount of loss exceeds the deductible. We will then pay the amount of loss in excess of the deductible, subject to the available Limit Of Insurance shown in the Schedule of this endorsement.

#### **F. The following Coverage Extensions are added:**

##### **Automated External Defibrillators**

If this policy covers Your Business Personal Property, you may extend that insurance to apply to loss or damage to your automated external defibrillators caused by or resulting from a Covered Cause of Loss.

The most we will pay for loss or damage in any one occurrence under this Extension is the limit shown in the Schedule of this endorsement.

##### **Broadened Water Damage (Not Flood-related)**

###### **(1) The following applies to Covered Property:**

We will pay for direct physical loss or damage to Covered Property caused by or resulting from:

- (a)** Discharge of water or waterborne material from a sewer, drain, or sump located on the described premises;  
or
- (b)** Water under the ground surface pressing on, or flowing or seeping through:
  - (i)** Foundations, wall, floors, or paved surfaces;

- (ii) Basements, whether paved or not; or
- (iii) Doors, windows, or other openings;

provided the conditions of Paragraphs **(a)** and **(b)** above are not induced by flood or flood-related conditions.

The aforementioned references to flood include surface water, waves (including tidal wave and tsunami), tides, tidal water, and overflow of any body of water, including storm surge.

For the purpose of this Extension, the term drain includes a roof drain and related fixtures.

**(2)** The following applies to Business Income And Extra Expense:

If Business Income or Extra Expense is provided by this Coverage Part we will pay for Business Income loss sustained and Extra Expense incurred in accordance with the terms of the applicable Coverage Part applicable to such premises under the policy, when such loss or expense arises out of the direct physical loss or damage described in Paragraph **(1)** above.

- (3)** There is no coverage under this Extension if the discharge results from an insured's failure to perform routine maintenance or repair necessary to keep a sewer, drain, sump, sump pump or related equipment free from obstruction and in proper working condition. This limitation does not apply to sudden mechanical breakdown of a sump pump or its related equipment, provided the breakdown is not the result of an insured's negligence.
- (4)** The Water exclusion does not apply to the extent that it conflicts with the coverage provided under this Extension.
- (5)** We will not pay the cost of repairing or replacing a sewer, drain, sump, sump pump or any related parts or equipment.
- (6)** The most we will pay for loss or damage in any one occurrence under this Extension is the limit shown in the Schedule of this endorsement, regardless of the number of buildings, structures or premises involved.
- (7)** All policy provisions apply to the coverage provided under this Extension unless otherwise indicated, including the deductible for direct physical loss or damage and the "period of restoration" for Business Income and Extra Expense. If an occurrence results in loss payable only under this Extension, the deductible applicable to Fire will apply to this Extension. But if an occurrence also causes other loss or damage that is paid under this policy, a separate deductible will not apply to the loss or damage covered under this Extension.

**Emergency Vacating Expenses**

You may extend the insurance provided by the Coverage Form to apply to the reasonable expenses that you incur in the "emergency" vacating of the premises of your facility.

We will not pay any expenses under this Extension arising out of:

- (1)** A strike, bomb threat or false fire alarm, unless vacating is ordered by civil authority;
- (2)** A planned vacating drill;
- (3)** The vacating of one or more of your customers, residents, "students", campers or users of your facility that is due and confined to their individual medical condition; or
- (4)** Any of the following to the extent these causes of loss are excluded in Section **B.** of the Coverage Form:
  - (a)** Governmental Action;

**(b)** Nuclear Hazard; and

**(c)** War And Military Action.

No other exclusions in the policy apply to this Extension.

The most we will pay in any one occurrence under this Extension is the limit shown in the Schedule of this endorsement.

The Honor Roll Elite Deductible shown in the Declarations applies to each occurrence. We will not pay for loss in any one occurrence until the amount of loss exceeds the deductible. We will then pay the amount of loss in excess of the deductible, subject to the available Limit Of Insurance shown in the Schedule of this endorsement.

### **Inflation Guard**

If this policy covers your building and the Replacement Cost Optional Coverage has been selected for the building, then the Optional Coverage, Inflation Guard as listed under Section **G**. Optional Coverages of the Coverage Form automatically applies to the building. The percentage increase for each building at each described location is the percentage shown in the Schedule of this endorsement.

### **Lawn Coverage**

If this policy covers your building, you may extend that insurance to apply to your lawns (including lawns which are part of a vegetated roof) on which the building is located.

Lawns (other than lawns which are part of a vegetated roof) are deleted from Property Not Covered.

The most we will pay under this Extension for loss or damage at each described premises is the limit shown in the Schedule of this endorsement.

### **Premises Limitation**

You may extend this insurance to broaden the premises limitation found anywhere in the Commercial Property Coverage Part from within "100 feet" to the distance shown in the Schedule of this endorsement.

### **Property Of Your Students**

**(1)** If this policy covers Your Business Personal Property, you may extend that insurance to apply to loss of or damage to the following property in your care, custody or control caused by or resulting from a Covered Cause of Loss or theft:

Your "student's" personal property other than "money" or "securities" including, but not limited to, art supplies, athletic equipment, photographic equipment, band uniforms and musical instruments, while:

**(a)** At or within 1,000 feet of the building, structure or premises described in the Declarations, whichever distance is greater;

**(b)** In the due course of transit;

**(c)** Temporarily at a location you do not own, rent or regularly use in the operation of your facility; or

**(d)** At any location you acquire, but only for 120 days after you acquire the location or until more specific insurance applies to the location, whichever occurs first.

Coverage for this property applies only while your "student" is under your supervision or the supervision of your employees, independent contractors or volunteers.

(2) This Extension does not apply to:

- (a) A mysterious disappearance or shortage of property except as a result of theft. If loss is a result of theft, the theft must be reported to the police within 24 hours and you must reasonably cooperate with the police and other law enforcement agencies in providing information concerning the theft; or
- (b) Any property described in Paragraph (1) above while in any "student" housing facility that is owned or controlled by the institution, or is located on property that is owned or controlled by the institution, and is within the reasonably contiguous geographic area that makes up the campus.

(3) Exclusion **B.2.h.** in the **CAUSES OF LOSS – SPECIAL FORM** does not apply to this Extension.

(4) Limitation **C.3.** in the **CAUSES OF LOSS – SPECIAL FORM** does not apply to this Extension.

(5) Our payment under this Extension for loss of or damage to personal property of your "students" will only be for the account of the owner of the personal property.

(6) All theft loss caused by one or more persons or involving a single act or series of related acts is considered a single theft loss for purposes of this Extension.

(7) This Extension does not apply to any theft loss as soon as:

(a) You; or

(b) Any of your partners, officers or directors not in collusion with the employee;

learn of any employee's theft committed by the employee before or after becoming employed by you and related to such loss.

This Extension applies only to the extent no coverage is available under a policy of insurance available to your "student".

The most we will pay for loss or damage in any one occurrence to your "student's" personal property under this Extension is the Per Occurrence limit, subject to the Per Student Personal Property limit shown in the Schedule of this endorsement. The Per Occurrence limit is the maximum amount we will pay regardless of the number of "students" involved in the occurrence.

The Honor Roll Elite Deductible shown in the Declarations applies to each occurrence. We will not pay for loss in any one occurrence until the amount of loss exceeds the deductible. We will then pay the amount of loss in excess of the deductible, subject to the available Limit Of Insurance shown in the Schedule of this endorsement.

### **Worldwide Personal Property**

If this policy covers Your Business Personal Property, you may extend that insurance to apply while the Covered Property is outside the territorial limits of this policy for loss caused by or resulting from any Covered Cause of Loss.

Worldwide Personal Property coverage does not apply to:

- (1) Property within the coverage territory of the United States of America (including its territories and possessions), Puerto Rico and Canada;
- (2) Business Personal Property rented or leased to others;
- (3) Business Personal Property at newly acquired locations; or
- (4) "Stock".

The most we will pay under this Extension is the limit shown in the Schedule of this endorsement.

### **Rented, Borrowed And Leased Equipment**

If this policy covers Your Business Personal Property, you may extend that insurance to cover your legal or contractual liability for loss or damage caused by a Covered Cause of Loss to equipment that you rent, borrow, or lease from others. You agree to maintain records of all expenditures that you make for leasing, renting, or borrowing such equipment.

We, or our authorized representative, will be permitted at all reasonable times during the term of this policy, or within one year after its termination, to examine your books, records, and any policies that relate to any property covered under this Extension. This inspection or examination will not waive or in any manner alter any of the terms or conditions of the policy.

The Honor Roll Elite Deductible shown in the Declarations applies to each occurrence. We will not pay for loss in any one occurrence until the amount of loss exceeds the deductible. We will then pay the amount of loss in excess of the deductible, subject to the available Limit Of Insurance shown in the Schedule of this endorsement.

### **G. The following Loss Conditions are amended:**

#### **Vacancy**

Paragraph **a.** Description Of Terms of Section **E.6.** Vacancy is replaced by the following:

- (1)** As used in this Vacancy condition, for occupancies that are not seasonal, the term building and the term vacant have the following meanings:
  - (a)** When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.
  - (b)** When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:
    - (i)** Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; and/or
    - (ii)** Used by the building owner to conduct customary operations.
- (2)** For seasonal "operations", a building will not be considered vacant if the contents have been removed to another building, provided that the contents removed were of a seasonal nature, or if the building vacated is part of an ongoing seasonal "operation".
- (3)** Buildings under construction or renovation are not considered vacant.

#### **Valuation**

The first sentence in Paragraph **b.** of Section **E.7.** Valuation is replaced by the following:

If the cost to repair or replace the damaged building property is \$5,000 or less, we will pay the cost of building repairs or replacement.

### **H. The following Optional Coverage is amended:**

#### **Replacement Cost – Personal Property Of Others**

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 of personal property of others.



**II. THE BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM, BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM, OR EXTRA EXPENSE COVERAGE FORM IS AMENDED AS FOLLOWS:**

The following **Additional Coverage** is added if Business Income or Extra Expense coverage is provided by this Policy:

**Utility Services – Business Income**

**(1) Coverage**

Your Business Income and/or Extra Expense coverage, as provided and limited in the applicable Coverage Form is extended to apply to a "suspension" of "operations" at the described premises caused by an interruption in

utility service to that premises. The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss to the types of property described in Paragraph **(3)** Utility Services below.

**(2) Exception**

Coverage under this section does not apply to Business Income loss or Extra Expense related to interruption in utility service which causes loss or damage to electronic data, including destruction or corruption of electronic data. The term electronic data has the meaning described under Property Not Covered, Electronic Data.

**(3) Utility Services**

**(a)** Water Supply Property, meaning the following types of property supplying water to the described premises:

- (i)** Pumping stations; and
- (ii)** Water mains.

**(b)** Wastewater Removal Property, meaning a utility system for removing wastewater and sewage from the described premises, other than a system designed primarily for draining storm water. The utility property includes sewer mains, pumping stations and similar equipment for moving the effluent to a holding, treatment or disposal facility, and includes such facilities.

Coverage under this endorsement does not apply to interruption in service caused by or resulting from a discharge of water or sewage due to heavy rainfall or flooding.

**(c)** Communication Supply Property, meaning property supplying communication services, including telephone, radio, microwave or television services, to the described premises, such as:

- (i)** Communication transmission lines;
- (ii)** Coaxial cables
- (iii)** Microwave radio relays, except satellites;
- (iv)** Internet access;
- (v)** Wide area networks; and
- (vi)** Data transmission.

Communication Supply Property includes overhead transmission lines.

**(d)** Power Supply Property, meaning the following types of property supplying electricity, steam or gas to the described premises:

- (i) Utility generating plants;
- (ii) Switching stations;
- (iii) Substations;
- (iv) Transformers; and
- (v) Transmission lines.

Power Supply Property includes overhead transmission lines.

- (e) Compressed Air Supply Property, meaning a property supplying compressed air to the described premises
- (4) As used in this Additional Coverage, Utility Services – Business Income, the term transmission lines includes all lines which serve to transmit communication service or power, including lines which may be identified as distribution lines
- (5) We will only pay for loss you sustain after the first 12 hours following the direct physical loss or damage to the utility service property to which the endorsement applies.

The most we will pay under this Additional Coverage is the limit shown in the Schedule of this endorsement regardless of the number of buildings, structures or premises involved. This limit is the only limit which applies to the coverage provided under this section and is in addition to the limits of insurance shown in the Declarations.

No deductible applies to this Additional Coverage.

### III. THE CAUSES OF LOSS – SPECIAL FORM IS AMENDED AS FOLLOWS:

- A. The following exclusion is deleted in its entirety:

#### **Personal Property In The Open**

Paragraph **B.2.j.** Rain, snow, ice or sleet to personal property in the open.

- B. The following **Limitations** are amended:

#### **Theft Loss To Furs, Fur Garments**

The Special Limit for furs, fur garments and garments trimmed with fur in Paragraph **C.3.a.** is increased to the limit shown in the Schedule of this endorsement.

#### **Theft Loss To Jewelry, Watches, Watch Movements**

The Special Limit for jewelry, watches, watch movements, jewels, pearls, precious and semiprecious stones, bullion, gold, silver, platinum and other precious alloys or metals in Paragraph **C.3.b.** is increased to the limit shown in the Schedule of this endorsement.

#### **Theft Loss To Gold, Silver, Platinum And Alloys Used In Manufacturing**

The following is added to Paragraph **C.3.b.**:

However, the limit of insurance for gold, silver, platinum and other precious alloys or metals when used as raw material in your manufacturing processes is increased to the limit shown in the Schedule of this endorsement.

- C. The following is deleted in its entirety from Section **C.** Limitations

#### **Patterns, Dies And Molds**

Paragraph **C.3.c.** Patterns, dies, molds and forms, for loss or damage by theft.

**D.** The Property In Transit Additional Coverage Extension is replaced by the following:

**Property In Transit**

This Extension applies only to Your Business Personal Property and similar property of others that you have on consignment to which this endorsement applies.

**a.** You may extend the insurance provided by the Coverage Form to apply to Your Business Personal Property (other than property in the care, custody or control of your salespersons) in transit more than 1,000 feet from the described premises. Property must be between points in the coverage territory and

**(1)** In the custody of a "carrier" or bailee for hire; or

**(2)** On vehicles you own, lease or operate.

**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; or

**(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 forced entry.

This coverage is additional insurance.

The most we will pay for loss or damage under this Extension is the limit shown in the Schedule of this endorsement.

The Honor Roll Elite Deductible shown in the Declarations applies to each occurrence. We will not pay for loss in any one occurrence until the amount of loss exceeds the deductible. We will then pay the amount of loss in excess of the deductible, subject to the available Limit Of Insurance shown in the Schedule of this endorsement.

**E.** The following **Additional Coverage Extension** is added;

**Lock Replacement**

You may extend the insurance provided by the Coverage Form to apply to the cost to repair or replace the door locks or tumblers of your described premises due to theft of your door keys.

This Extension is additional insurance.

The most we will pay for loss or damage under this Extension is the limit shown in the Schedule of this endorsement.

No deductible applies to this Extension.

**IV. THE FOLLOWING DEFINITIONS ARE ADDED AS RESPECTS THIS ENDORSEMENT:**

"Carrier" means a person or organization that provides motor, rail or air transportation for compensation.

"Emergency" means imminent danger arising from an external event or a condition in the facility which would cause loss of life or harm to your customers, residents, "students", campers or users of your facility.

"Fine arts" means paintings, etchings, pictures, tapestries, art glass windows, valuable rugs, statuary, sculptures,

marbles, bronzes, antique furniture, rare books, antique silver, manuscripts, porcelains, rare glass, religious artifacts, bric-a-brac, stained glass windows, and similar property of rarity, historical value or artistic merit.

"Money" means:

- a. Currency, coins and bank notes in current use and having a face value; and
- b. Traveler's checks and money orders held for sale to the public.

"Perishable stock" means personal property:

- a. Maintained under controlled conditions for its preservation; and
- b. Susceptible to loss or damage if the controlled conditions change.

"Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or "other property" and includes:

- a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
- b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include "money".

"Student" means a person who is enrolled in your school and is a direct recipient of the services provided by your school.

#### **V. THE FOLLOWING DEFINITIONS ARE ADDED ONLY AS RESPECTS MONEY AND SECURITIES:**

"Discover" or "discovered" means the time when you first become aware of facts which would cause a reasonable person to assume that a loss of a type covered by this insurance has been or will be incurred, regardless of when the act or acts causing or contributing to such loss occurred, even though the exact amount or details of loss may not then be known.

"Discover" or "discovered" also means the time when you first receive notice of an actual or potential claim in which it is alleged that you are liable to a third party under circumstances which, if true, would constitute a loss under this insurance.

"Electronic data" means information, facts, images or sounds stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software) on data storage devices, including hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

"Employee":

a. Means:

(1) Any natural person:

- (a) While in your service and for the first 30 days immediately after termination of service, unless such termination is due to "theft" or any dishonest act committed by the "employee";
- (b) Whom you compensate directly by salary, wages or commissions; and
- (c) Whom you have the right to direct and control while performing services for you;

(2) Any natural person who is furnished temporarily to you to:

- (a) Substitute for a permanent "employee" as defined in Paragraph a.(1), who is on leave; or

**(b)** Meet seasonal or short-term workload conditions;

while that person is subject to your direction and control and performing services for you;

**(3)** Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary "employee" as defined in Paragraph **a.(2)**;

**(4)** Any natural person who is:

**(a)** A trustee, officer, "employee", administrator or manager, except an administrator or manager who is an independent contractor, of any "employee benefit plan"; or

**(b)** Your director or trustee while that person is engaged in handling "money", "securities" or "other property" of any "employee benefit plan";

**(5)** Any natural person who is a former "employee", partner, "member", "manager", director or trustee retained by you as a consultant while performing services for you;

**(6)** Any natural person who is a guest "student" or intern pursuing studies or duties;

**(7)** Any natural person employed by an entity merged or consolidated with you prior to the effective date of this policy;

**(8)** Any natural person who is your "manager", director or trustee while:

**(a)** Performing acts within the scope of the usual duties of an "employee"; or

**(b)** Acting as a member of any committee duly elected or appointed by resolution of your board of directors or board of trustees to perform specific, as distinguished from general, directorial acts on your behalf; and

**(9)** Any non-compensated natural person:

**(a)** Other than one who is a fund solicitor, performing acts within the scope of the usual duties of an "employee"; or

**(b)** Acting as fund solicitor during fundraising campaigns;

**b.** Does not mean:

Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character not specified in Paragraph **a.** of this definition.

"Employee benefit plan" means any welfare or pension benefit plan that you sponsor and that is subject to the Employee Retirement Income Security Act of 1974 (ERISA) and any amendments thereto.

"Financial institution" means:

**a.** A bank, savings bank, savings and loan association, trust company, credit union or similar depository institution; or

**b.** An insurance company.

"Financial institution premises" means the interior of that portion of any building occupied by a "financial institution".

"Manager" means a natural person serving in a directorial capacity for a limited liability company.

"Member" means an owner of a limited liability company represented by its membership interest who, if a natural person, may also serve as a "manager".

"Other property" means any tangible property other than "money" and "securities" that has intrinsic value. "Other property" does not include computer programs, "electronic data" or any property specifically excluded under this insurance.

"Theft" means the unlawful taking of property to the deprivation of the insured.

All other terms and conditions remain unchanged.



## MARKEL INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### FUNGUS, WET ROT, DRY ROT AND BACTERIA EXCLUSION

This endorsement modifies insurance provided under the following:

CAUSES OF LOSS – BASIC FORM  
CAUSES OF LOSS – BROAD FORM  
CAUSES OF LOSS – SPECIAL FORM

The following Additional Coverage is deleted:

**E. Additional Coverage - Limited Coverage for "Fungus", Wet Rot, Dry Rot and Bacteria**

All references to this Additional Coverage are deleted wherever shown in these forms and any other related forms attached to this policy.

All other terms and conditions remain the unchanged.



## MARKEL INSURANCE COMPANY

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.

### CONFIRMATION OF CERTIFIED ACTS OF TERRORISM COVERAGE – TERRORISM RISK INSURANCE ACT

#### SCHEDULE

Terrorism Premium:	\$100
Federal Share Of Terrorism Losses:	85% In 2015
	84% In 2016
	83% In 2017
	82% In 2018
	81% In 2019
	80% In 2020

#### Disclosure Of Premium

We have notified you that under the Terrorism Risk Insurance Act we must make certified acts of terrorism coverage available in the policies we offer.

Certified acts of terrorism coverage has been provided because either you have indicated to us or your agent that certified acts of terrorism coverage is desired or we have provided certified acts of terrorism coverage at no additional charge. If you have chosen to purchase certified acts of terrorism coverage, the premium charge is the amount shown in the Schedule of this notice.

If there is no premium shown above or the premium shown is \$0, there is no separate premium for the coverage during this policy period.

#### 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 the Schedule of this notice) 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.





## **MARKEL INSURANCE COMPANY**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

### **TRADE OR ECONOMIC SANCTIONS**

The following is added to this policy:

#### **Trade Or Economic Sanctions**

This insurance does not provide any coverage, and we (the Company) shall not make payment of any claim or provide any benefit hereunder, to the extent that the provision of such coverage, payment of such claim or provision of such benefit would expose us (the Company) to a violation of any applicable trade or economic sanctions, laws or regulations, including but not limited to, those administered and enforced by the United States Treasury Department's Office of Foreign Assets Control (OFAC).

All other terms and conditions remain unchanged.



## MARKEL INSURANCE COMPANY EQUIPMENT BREAKDOWN COVERAGE SCHEDULE

Equipment Breakdown is subject to the Limits of Insurance shown in the Declarations except as specifically shown below.

These coverages apply to all locations covered on the policy, unless otherwise specified.

Coverages	Limits
Equipment Breakdown Limit	\$189,108
Business Income	\$550,000
Extra Expense	Included in Business Income Limit
Expediting Expenses	\$500,000
Hazardous Substances	\$250,000
Spoilage	\$500,000 @ Coinsurance
Data Restoration	\$100,000
Service Interruption	\$250,000
Demolition	\$2,000,000
Increased Cost of Construction	\$2,000,000
Newly Acquired Locations	\$1,000,000
Excavation Costs	\$ 25,000
"Fungus", Wet, Rot, Dry Rot And Bacteria	\$ 15,000

Deductibles	
Combined, All Coverages	\$ 1,000
Direct Coverages	\$
Indirect Coverages	\$
	or _____ hours
	or _____ times ADV
Spoilage	\$ 1,000
	or _____ % off loss \$ _____ minimum

Other

Premium: \$100

ENDORSEMENTS		
ENDORSEMENT NUMBER	EDITION DATE	DESCRIPTION
MCP 1242	10 16	Equipment Breakdown Coverage
MDCP 2005	10 16	Equipment Breakdown Coverage Form
MIL 1214	09 17	Trade Or Economic Sanctions



## MARKEL 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  
CAUSES OF LOSS – SPECIAL COVERAGE FORM

**A. The following is added as an Additional Coverage to the CAUSES OF LOSS – 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 current, including electric arcing, that disturbs electrical devices, appliances, or wires;
  - 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. Unless otherwise shown in a “Schedule”, the following coverages also apply as a 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 \$500,000 unless otherwise shown in a “Schedule”.

**b. Hazardous Substances**

We will pay your 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 \$250,000 unless otherwise shown in a “Schedule”.

**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 \$500,000 unless otherwise shown in a “Schedule”.

**d. 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 unless otherwise shown in a “Schedule”.

**e. 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 a deductible is shown in a “Schedule” as provided for in paragraph B.1. below, or if the “period of restoration” begins more than 24 hours after the time of the direct physical damage for Business Income, then that deductible or 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, or \$250,000, whichever is less, except that if a limit is shown in a “Schedule” for Service Interruption, that limit will apply to Business Income and Extra Expense loss under this coverage.

**f. Business Income and Extra Expense**

Any insurance provided under the coverage part for Business Income or Extra Expense is extended to the coverage provided by this endorsement. However, if a deductible is shown in a “Schedule”, then as respects Equipment Breakdown coverage, the “period of restoration” will begin immediately after the “accident”, and the deductible shown in the “Schedule” will apply. The most we will pay for loss or expense under this coverage is the applicable limit for Business Income and Extra Expense, unless otherwise shown in a “Schedule”.

**g. Demolition**

- (1) This coverage applies if an “accident” damages a building that is Covered Property and the loss is increased by an ordinance or law that:
  - (a) Requires the demolition of a building that is otherwise repairable;
  - (b) Is in force at the time of the “accident”; and
  - (c) Is not addressed under Hazardous Substances coverage.
- (2) We will pay for the following additional costs to comply with such ordinance or law:
  - (a) Your actual and necessary cost to demolish and clear the site of the undamaged parts of the building; and
  - (b) Your actual and necessary cost to reconstruct the undamaged parts of the building.
- (3) As used in this coverage, additional costs mean those beyond what would have been payable under this endorsement had no such ordinance or law been in force at the time of the “accident”.

The most we will pay for loss, damage or expense under this coverage, including actual lost income you sustain and necessary Extra Expense you incur, if shown as covered, is \$2,000,000 unless otherwise shown in a “Schedule”.

**h. Increased Cost of Construction**

- (1) This coverage applies if an “accident” damages a building that is Covered Property and the loss is increased by an ordinance or law that:
  - (a) Regulates the construction or repair of buildings;
  - (b) Is in force at the time of the “accident”; and
  - (c) Is not addressed under Demolition coverage or Hazardous Substances coverage.
- (2) We will pay for the following additional costs to comply with such ordinance or law:
  - (a) Your actual and necessary cost to repair the damaged portions of the building;
  - (b) Your actual and necessary cost to reconstruct the damaged portions of the building; and
  - (c) Your actual and necessary cost to bring undamaged portions of the building into compliance with the ordinance or law.
- (3) As used in this coverage, additional costs mean those beyond what would have been payable under this endorsement had no such ordinance or law been in force at the time of the “accident”.

The most we will pay for loss, damage or expense under this coverage, including actual lost income you sustain and necessary Extra Expense you incur, if shown as covered, is \$2,000,000 unless otherwise shown in a “Schedule”.

**i. Newly Acquired Locations**

- (1) All coverages applicable to Covered Property under this Additional Coverage Equipment Breakdown are extended to a newly acquired location that you have purchased or leased during the policy period.
- (2) This coverage begins at the time you acquire the property. As respects newly constructed properties, we will only consider them to be acquired by you when you have fully accepted the completed project.
- (3) This coverage ends when any of the following first occurs:
  - (a) This policy expires;
  - (b) 180 days after you acquire the location;
  - (c) The location is incorporated into the regular coverage of the Commercial Property Coverage Part.

If limits or deductible vary by location, the highest limits and deductibles will apply to newly acquired locations. However, the most we will pay for loss, damage or expense arising from any “one accident” is \$1,000,000, unless otherwise shown in a “Schedule”.

**j. Excavation Costs**

We will pay the reasonable and necessary expenses to excavate piping or vessels that are a part of a Geothermal closed or open loop heating, ventilating and air conditioning system during the repair or replacement following an "accident".

The most we will pay for the cost of excavation is \$25,000, unless otherwise shown in a "Schedule".

**k. Resultant Damage to Animals**

- (1) Any insurance provided under the coverage part for "animals" is extended to the coverage provided by this endorsement.
- (2) 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 \$25,000.

**l. "Fungus", Wet Rot, Dry Rot And Bacteria**

- (1) We will pay your additional cost to repair or replace Covered Property because of contamination by "fungus", wet rot, dry rot or bacteria resulting from an "accident". This includes the additional costs to clean up or dispose of such property. This does not include spoilage of personal property that is "perishable goods" to the extent that such spoilage is covered under Spoilage coverage.
- (2) As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no "fungus", wet rot, dry rot or bacteria been involved.
- (3) We will also pay the cost of testing performed after repair or replacement of the damaged Covered Property is completed only to the extent that there is reason to believe there is the presence of "fungus", wet rot, dry rot or bacteria.
- (4) This coverage does not apply to lawns, trees, shrubs or plants which are part of a vegetated roof.
- (5) The most we will pay in any "one accident" 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 \$15,000 unless otherwise shown in a "Schedule" even if the "fungus", wet rot, dry rot or bacteria continues to be present or active or recurs in a later policy period.

**3. EXCLUSIONS**

All exclusions in the **CAUSES OF LOSS – SPECIAL FORM** apply except as modified below and to the extent that coverage is specifically provided by this endorsement.

**a. The following exclusions are modified:**

- (1) The following is added to Exclusion B.1.g.:

However, if electrical "covered equipment" requires drying out because of water, 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.

- (2) 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) 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

(b) 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 and "Fungus", Wet Rot, Dry Rot And Bacteria coverages, 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 any increase in loss resulting from an agreement between you and your customer or supplier.
- (4) Except as specifically provided under A.2.l. "Fungus", Wet Rot, Dry Rot And Bacteria coverage, 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 "fungus", wet rot, dry rot or bacteria, including any presence, growth, proliferation, spread or any activity of "fungus", wet rot, dry rot or bacteria. This includes, but is not limited to, costs arising from clean up, removal, or abatement of such "fungus", wet rot, dry rot or bacteria. However, this exclusion does not apply to spoilage of personal property that is "perishable goods", to the extent that such spoilage is covered under Spoilage coverage.
- (5) Except as specifically provided under A.2.d., Data Restoration, or A.2.k. Resultant Damage to Animals, 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":
  - (a) Physical loss or damage to "animals";
  - (b) Loss, interruption or compromise of any research, test or study involving "animals"; or
  - (c) Loss of income or extra expense resulting from (a) or (b) above.

#### 4. DEFINITIONS

The following definitions are added:

- a. "Animal" means any creature of the kingdom Animalia. This includes, but is not limited to, amphibians, birds, fish, insects, mammals, reptiles, and worms.
- b. "Boilers and vessels" means:
  - (1) Any boiler, including attached steam, condensate and feedwater piping; and
  - (2) Any fired or unfired pressure vessel subject to vacuum or internal pressure other than the static pressure of its contents.

This term does not appear elsewhere in this endorsement, but may appear in a "Schedule".

- c. "Buried vessels or piping"
  - (1) "Buried vessels or piping" means any piping or vessel buried or encased in the earth, concrete or other material, whether above or below grade, or in an enclosure which does not allow access for inspection and repair.
  - (2) "Buried vessels or piping" does not mean piping or vessels buried or encased in the earth, concrete or other material that are a part of a Geothermal closed or open loop heating, ventilating and air conditioning system used for building heating or cooling.
- d. "Covered equipment"
  - (1) "Covered equipment" means, unless otherwise specified in a "Schedule", Covered Property:
    - (a) That generates, transmits or utilizes energy; or
    - (b) Which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.

"Covered equipment" may utilize conventional design and technology or new or newly commercialized design and technology.
  - (2) None of the following is "covered equipment":
    - (a) Structure, foundation, cabinet or compartment;



- (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;
  - (h) Equipment manufactured by you for sale; or
  - (i) Well casings.
- e. "Data" means information or instructions stored in digital code capable of being processed by machinery.
  - f. "Hazardous substance" means any substance that is hazardous to health or has been declared to be hazardous to health by a governmental agency.
  - g. "Media" means material on which "data" is recorded, such as magnetic tapes, hard disks, optical disks or floppy disks.
  - h. "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".
  - i. "Perishable goods" means personal property maintained under controlled conditions for its preservation and susceptible to loss or damage if the controlled conditions change.
  - j. "Production machinery" means any machine or apparatus that processes or produces a product intended for eventual sale. This includes all component parts of such machine or apparatus. However, "production machinery" does not mean any boiler, or fired or unfired pressure vessel.  
  
This term does not appear elsewhere in this endorsement, but may appear in a "Schedule".
  - k. "Schedule" means the Equipment Breakdown Coverage Schedule.
  - l. "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 is modified as follows.**

The definitions stated above also apply to section B. of this endorsement.

**1. DEDUCTIBLE**

The deductible in the Declarations applies unless a separate Equipment Breakdown deductible is shown in a "Schedule". If a separate Equipment Breakdown deductible is shown, the following applies.

Only as regards Equipment Breakdown Coverage, provision D. DEDUCTIBLE is deleted and replaced with the following:

**a. Deductibles for Each Coverage**

- (1) Unless the "Schedule" indicates that your deductible is combined for all coverages, multiple deductibles may apply to any "one accident".
- (2) We will not pay for loss, damage or expense under any coverage until the amount of the covered loss, damage or expense exceeds the deductible amount indicated for that coverage in the "Schedule". We will then pay the amount of loss, damage or expense in excess of the applicable deductible amount, subject to the applicable limit.
- (3) If deductibles vary by type of "covered equipment" and more than one type of "covered equipment" is involved in any "one accident", only the highest deductible for each coverage will apply.

**b. Direct and Indirect Coverages**

- (1) Direct Coverages Deductibles and Indirect Coverages Deductibles may be indicated in the "Schedule".
- (2) Unless more specifically indicated in the "Schedule":
  - (a) Indirect Coverages Deductibles apply to Business Income and Extra Expense loss; and
  - (b) Direct Coverages Deductibles apply to all remaining loss, damage or expense covered by this endorsement.

**c. Application of Deductibles**

**(1) Dollar Deductibles**

We will not pay for loss, damage or expense resulting from any "one accident" until the amount of loss, damage or expense exceeds the applicable Deductible shown in the "Schedule". We will then pay the amount of loss, damage or expense in excess of the applicable Deductible or Deductibles, up to the applicable Limit of Insurance.

**(2) Time Deductible**

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

**(3) Multiple of Average Daily Value (ADV)**

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

The ADV (Average Daily Value) will be the Business Income (as defined in any Business Income coverage that is part of this policy) that would have been earned during the period of interruption of business had no "accident" occurred, divided by the number of working days in that period. No reduction shall be made for the Business Income not being earned, or in the number of working days, because of the "accident" or any other scheduled or unscheduled shutdowns during the period of interruption. The ADV applies to the Business Income value of the entire location, whether or not the loss affects the entire location. If more than one location is included in the valuation of the loss, the ADV will be the combined value of all affected locations. For purposes of this calculation, the period of interruption may not extend beyond the "period of restoration".

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

**(4) Percentage of Loss Deductibles**

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

**2. 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.

**a. 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:

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

Once suspended in this way, your insurance can be reinstated only by an endorsement for that "covered equipment". If we suspend your insurance, you will get a pro rata refund of premium for that "covered equipment" for the period of suspension. But the suspension will be effective even if we have not yet made or offered a refund.

**b. 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.

**c. 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 for people, or more energy or water efficient than the equipment being replaced.

However, we will not pay to increase the size or capacity of the equipment and we will not pay more than 150% of what the cost would have been to replace with like kind and quality. This condition does not apply to the replacement of component parts or to any property to which Actual Cash Value applies and does not increase any of the applicable limits.

**d. Coinsurance**

If a coinsurance percentage is shown in a “Schedule” for specified coverages, the following condition applies.

We will not pay for the full amount of your loss if the applicable limit is less than the product of the specified coinsurance percentage times the value of the property subject to the coverage at the time of the loss. Instead, we will determine what percentage this calculated product is compared to the applicable limit and apply that percentage to the gross amount of loss. We will then subtract the applicable deductible. The resulting amount, or the applicable limit, is the most we will pay. We will not pay for the remainder of the loss. Coinsurance applies separately to each insured location.

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 unless otherwise shown in a “Schedule”. Coverage provided under this endorsement does not provide an additional amount of insurance.

All other terms and conditions remain unchanged.



## **MARKEL INSURANCE COMPANY**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

### **TRADE OR ECONOMIC SANCTIONS**

The following is added to this policy:

#### **Trade Or Economic Sanctions**

This insurance does not provide any coverage, and we (the Company) shall not make payment of any claim or provide any benefit hereunder, to the extent that the provision of such coverage, payment of such claim or provision of such benefit would expose us (the Company) to a violation of any applicable trade or economic sanctions, laws or regulations, including but not limited to, those administered and enforced by the United States Treasury Department's Office of Foreign Assets Control (OFAC).

All other terms and conditions remain unchanged.



**MARKEL INSURANCE COMPANY**

**COMMERCIAL INLAND MARINE COVERAGE PART  
DECLARATIONS**

Policy No.8502WSI036867-2

<b>Effective Date:7/1/2019,</b>
<b>12:01 A.M. Standard Time</b>

BUSINESS DESCRIPTION		Education
<b>INLAND MARINE SCHEDULE</b>		
ITEM	COVERAGE	PREMIUM
1	Accounts Receivable	\$211
2	Fine Arts	\$21
3	Valuable Papers & Records	\$211
4	EDP Equipment (Incl Software)	\$358
TOTAL PREMIUM FOR INLAND MARINE COVERAGE PART: \$901 (Includes TRIA)		

<b>FORMS AND ENDORSEMENTS</b>		
Forms and Endorsements applying to this Coverage Part and made part of this policy at time of issue :		
CM 00 01	09 04	Commercial Inland Marine Conditions
CM 00 67	01 13	Valuable Papers and Records Coverage Form
IH 00 75	07 99	Computer Systems Coverage Form
IH 75 02	07 99	Personal Portable Computers
IL 09 10	12 03	Pennsylvania Notice
IL 09 52	01 15	Cap On Losses From Certified Acts Of Terrorism Endorsement
MD 012	09 00	Commercial Inland Marine Coverage Part Declarations
MD 031	11 99	Computer Systems Declarations
MD 034	05 10	Fine Arts Declarations
MIL 1214	09 17	Trade Or Economic Sanctions
MIM 1008	04 13	Museum Coverage Form
MIM 115	05 10	Mold Exclusion
MIM 123	05 10	Water Exclusion
MIM-TERR-1	01 15	Confirmation Of Certified Acts Of Terrorism Coverage – Terrorism Risk Insurance Act
MJIL 1000	06 10	Markel Insurance Company Policy Jacket

THESE DECLARATIONS TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE PART DECLARATIONS, COVERAGE PART COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

# COMPUTER SYSTEMS DECLARATIONS

<b>COMPANY:</b> MARKEL INSURANCE COMPANY	<b>PRODUCER:</b> Henderson Brothers, Inc. 920 Ft. Duquesne Blvd Pittsburgh, PA 15222
---------------------------------------------	-----------------------------------------------------------------------------------------------

LIMITS OF INSURANCE		
PROPERTY AT DESCRIBED PREMISES	COMPUTER EQUIPMENT	MEDIA AND DATA
EDP Equipment	\$250,000	
Portable Computers	Included in EDP Limit	
PROPERTY AT ANY ONE UNNAMED PREMISES EXCEPT AN ADDITION- ALLY ACQUIRED PREMISES		
	_____	_____
PROPERTY IN TRANSIT OR OTHERWISE AWAY FROM T HE DESCRIBED PREMISES EXCEPT AN ADDITIONALLY ACQUIRED PREMISES		
	_____	
ALL COVERED PROPERTY IN ANY ONE OCCURRENCE		
	\$250,000	

COINSURANCE	N/A	%
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DEDUCTIBLE	\$1,000
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OPTIONAL COVERAGE - EXTRA EXPENSE	
LIMIT OF INSURANCE	_____

RATES AND PREMIUMS			
Rates	Included	per \$100	Premium
	_____		\$358



## MARKEL INSURANCE COMPANY

### FINE ARTS DECLARATIONS

<b>COMPANY:</b>  MARKEL INSURANCE COMPANY	<b>PRODUCER:</b>  Henderson Brothers, Inc. 920 Ft. Duquesne Blvd Pittsburgh, PA 15222
-------------------------------------------------	---------------------------------------------------------------------------------------------------

LIMITS OF INSURANCE	
<b>A. PROPERTY AT YOUR PREMISES</b>	
<b>1. Address</b>	
240 Market Street, Box 1A, Suite 15, Bloomsburg, PA 17815	
<hr/>	
<b>Described Property</b>	
Fine Arts Coverage	<u>\$25,000</u>
<b>B. ALL COVERED PROPERTY IN ANY ONE OCCURRENCE</b>	<u>\$25,000</u>
<b>C. UNNAMED LOCATION</b>	<u>\$25,000</u>
<b>D. PROPERTY IN TRANSIT</b>	<u>\$25,000</u>

IF THIS BOX IS CHECKED , THE BREAKAGE EXCLUSION DOES NOT APPLY.

DEDUCTIBLE

\$500

**RATES AND PREMIUMS**

**Nonreporting**

Rates \$\_\_\_\_\_ per \$100 Premium \$21

**Reporting**

Deposit Premium \_\_\_\_\_

Minimum Premium \_\_\_\_\_

Reporting Period \_\_\_\_\_

Premium Adjustment Period \_\_\_\_\_

Premium Base \_\_\_\_\_

Rates \$\_\_\_\_\_ per \$100 Total Premium \$21



## COMMERCIAL INLAND MARINE CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and applicable Additional Conditions in Commercial Inland Marine Coverage Forms:

### LOSS CONDITIONS

#### A. Abandonment

There can be no abandonment of any property to us.

#### B. Appraisal

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

1. Pay its chosen appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

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

#### C. Duties In The Event Of Loss

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. You will not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

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. 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.

8. Send us a signed, sworn proof of loss containing the information we request to settle the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

9. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or suit.

10. Cooperate with us in the investigation or settlement of the claim.

#### D. 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.

#### E. Loss Payment

1. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.

2. We will not pay you more than your financial interest in the Covered Property.

3. 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 claim against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.

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

5. 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 the terms of this Coverage Part and:
  - a. We have reached agreement with you on the amount of the loss; or
  - b. An appraisal award has been made.
6. We will not be liable for any part of a loss that has been paid or made good by others.

#### **F. 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.

#### **G. Pair, Sets Or Parts**

##### **1. Pair Or Set**

In case of loss or damage to any part of a pair or set we may:

- a. Repair or replace any part to restore the pair or set to its value before the loss or damage; or
- b. Pay the difference between the value of the pair or set before and after the loss or damage.

##### **2. Parts**

In case of loss or damage to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

#### **H. 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.

#### **I. Reinstatement Of Limit After Loss**

The Limit of Insurance will not be reduced by the payment of any claim, except for total loss or damage of a scheduled item, in which event we will refund the unearned premium on that item.

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

This will not restrict your insurance.

#### **GENERAL CONDITIONS**

##### **A. Concealment, Misrepresentation Or Fraud**

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

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

##### **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. Legal Action Against Us**

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

1. There has been full compliance with all the terms of this Coverage Part; and
2. The action is brought within 2 years after you first have knowledge of the direct loss or damage.

**D. No Benefit To Bailee**

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

**E. Policy Period, Coverage Territory**

We cover loss or damage commencing:

1. During the policy period shown in the Declarations; and
2. Within the coverage territory.

**F. Valuation**

The value of property will be the least of the following amounts:

1. The actual cash value of that property;

2. The cost of reasonably restoring that property to its condition immediately before loss or damage; or
3. The cost of replacing that property with substantially identical property.

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

## VALUABLE PAPERS AND RECORDS COVERAGE FORM

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

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

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

### A. Coverage

We will pay for direct physical loss of or damage to Covered Property from any of the Covered Causes of Loss.

1. Covered Property, as used in this Coverage Form, means "valuable papers and records" that are your property or property of others in your care, custody or control.

#### 2. Property Not Covered

Covered Property does not include:

- a. Property not specifically declared and described in the Declarations if such property cannot be replaced with other property of like kind and quality;
- b. Property held as samples or for delivery after sale;
- c. Property in storage away from the "premises" shown in the Declarations; or
- d. Contraband, or property in the course of illegal transportation or trade.

#### 3. Covered Causes Of Loss

Covered Causes of Loss means direct physical loss or damage to Covered Property except those causes of loss listed in the Exclusions.

#### 4. Additional Coverage – Collapse

The coverage provided under this Additional Coverage – Collapse applies only to an abrupt collapse as described and limited in Paragraphs **a.** through **c.**

- a. 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.

b. 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 contains Covered Property insured under this Coverage Form, if such collapse is caused by one or more of the following:

- (1) Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
  - (2) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
  - (3) 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;
  - (4) 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:
    - (a) A cause of loss listed in Paragraph (1) or (2);
    - (b) One or more of the following causes of loss: fire; lightning; windstorm; hail; explosion; smoke; aircraft; vehicles; riot; civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; breakage of building glass; falling objects; weight of snow, ice or sleet; water damage; earthquake; all only as insured against in this Coverage Form;
    - (c) Weight of people or personal property; or
    - (d) Weight of rain that collects on a roof.
- c. This Additional Coverage – Collapse will not increase the Limits of Insurance provided in this Coverage Form.

## 5. Coverage Extensions

### a. Removal

If you give us written notice within 10 days of removal of your "valuable papers and records" because of imminent danger of loss or damage, we will pay for loss or damage while it is:

- (1) At a safe place away from your "premises"; or
- (2) Being taken to and returned from that place.

This Coverage Extension is included within the Limits of Insurance applicable to the "premises" from which the Covered Property is removed.

### b. Away From Your Premises

We will pay up to \$5,000 for loss or damage to Covered Property while it is away from your "premises".

But if a higher Limit Of Insurance is specified in the Declarations, the higher limit will apply.

The limit for this Coverage Extension is additional insurance.

## 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. 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 Form.

### b. 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 direct loss or damage caused by that fire if the fire would be covered under this Coverage Form.

### c. 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.

Exclusions **B.1.a.** through **B.1.c.** 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. Delay, loss of use, loss of market or any other consequential loss.

- b. Dishonest or criminal act (including theft) committed by:

- (1) You, any of your partners, employees (including temporary employees and leased workers), officers, directors, trustees, or authorized representatives;

- (2) A manager or a member if you are a limited liability company; or

- (3) Anyone else with an interest in the property, or their employees (including temporary employees and leased workers) or authorized representatives;

whether acting alone or in collusion with each other or with any other party.

This exclusion applies whether or not an act occurs during your normal hours of operation.

This exclusion 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.

- c. Errors or omissions in processing or copying.

But if errors or omissions in processing or copying result in fire or explosion, we will pay for the direct loss or damage caused by that fire or explosion if the fire or explosion would be covered under this Coverage Form.

- d. Electrical or magnetic injury, disturbance or erasure of electronic recordings.

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

- e. Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- f. Unauthorized instructions to transfer property to any person or to any place.
- g. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.
- h. Theft by any person (except carriers for hire) to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

This exclusion applies whether or not an act occurs during your normal hours of operation.

- 3. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, 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 wherever located.
- d. 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, shrinking or expansion as such condition relates to Paragraph (1) or (2).

This Exclusion d. does not apply to the extent that coverage is provided under the Additional Coverage – Collapse or to collapse caused by one or more of the following: fire; lightning; windstorm; hail; explosion; smoke; aircraft; vehicles; riot; civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; breakage of building glass; falling objects; weight of snow, ice or sleet; water damage; earthquake; weight of people or personal property; weight of rain that collects on a roof.

- e. Wear and tear, any quality in the property that causes it to damage or destroy itself, gradual deterioration; insects, vermin or rodents.

### 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.

### D. Deductible

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

### E. Additional Conditions

#### 1. Valuation – Specifically Declared Items

The following is added to General Condition F. **Valuation** in the Commercial Inland Marine Conditions:

The value of each item of property that is specifically declared and described in the Declarations is the applicable Limit Of Insurance shown in the Declarations for that item.

#### 2. Recoveries

The following is added to Loss Condition H. **Recovered Property** in the Commercial Inland Marine Conditions:

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. If so, your loss or damage will be readjusted based on the amount you received for the property recovered, with allowance for recovery expenses incurred.

3. The following conditions apply in addition to the Commercial Inland Marine Conditions and the Common Policy Conditions:

**a. Coverage Territory**

We cover property:

- (1) Within your "premises"; and
- (2) Away from your "premises" while in transit or within premises of others if those premises are located or the transit is within:
  - (a) The United States of America (including its territories and possessions);
  - (b) Puerto Rico; and
  - (c) Canada.

**b. Protection Of Records**

Whenever you are not open for business, and except while you are actually using the property, you must keep all "valuable papers and records" in receptacles that are described in the Declarations.

**F. Definitions**

- 1. "Valuable papers and records" means inscribed, printed or written documents, manuscripts or records, including abstracts, books, deeds, drawings, films, maps or mortgages.

But "valuable papers and records" does not mean "money" or "securities", converted data, programs or instructions used in your data processing operations, including the materials on which the data is recorded.

- 2. "Premises" means that interior portion of the building at the address shown in the Declarations that you occupy for your business.
- 3. "Money" means:
  - a. Currency, coins and banknotes whether or not in current use; and
  - b. Travelers checks, register checks and money orders held for sale to the public.
- 4. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:
  - a. Tokens, tickets, revenue and other stamps whether or not in current use; and
  - b. Evidences of debt issued in connection with credit or charge cards, which cards are not of your own issue;but does not include "money".

# COMPUTER SYSTEMS COVERAGE FORM

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

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

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

## A. Coverage

We will pay for direct physical loss of or damage to Covered Property from any of the Covered Causes of Loss.

1. Covered Property, as used in this Coverage Form, means:

- a. "Computer Equipment", "Data" and "Media" owned by you; and
- b. Similar property of others in your care, custody or control.

## 2. Property Not Covered

Covered Property does not include:

- a. Property leased or rented to others while away from your premises described in the Declarations;
- b. Accounts, bills, evidence of debt, valuable papers, abstracts, records, deeds, manuscripts or other documents, unless converted to "data" and then only in that form;
- c. Portable personal computers, including laptops and notebooks;
- d. Contraband, or property in the course of illegal transportation or trade; or
- e. Stock in Trade.

## 3. Covered Causes Of Loss

Covered Causes of Loss means Risk Of Direct Physical Loss Or Damage to Covered Property except those causes of loss listed in the Exclusions.

## 4. Additional Coverages

### a. Additional Acquired Premises

If during the policy period you acquire an additional premises, we will provide coverage for Covered Property at such premises for up to 60 days. The most we will pay for loss or damage is the lesser of:

- (1) 25% of the total Limit of Insurance shown in the Declarations for all individually listed and described items; or
- (2) \$100,000.

You will report values of such property to us within 60 days from the date you take possession and will pay any additional premium due. If you do not report such property, coverage will cease automatically 60 days after the date the property is acquired or at the end of the policy period, whichever occurs first.

### b. Debris Removal

- (1) We will pay your expenses to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
- (2) The most we will pay under this Additional Coverage is 25% of:
  - (a) The amount we pay for direct physical loss or damage to Covered Property; plus
  - (b) The deductible in this policy applicable to that loss or damage;

but this limitation does not apply to any additional debris removal limit provided in the Limits of Insurance Section.

### c. Preservation Of Property

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

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



**d. Recharging The Fire Suppression System**

We will pay up to \$10,000 to recharge the fire suppression system protecting your premises if the system, for any reason, discharges.

**5. Optional Coverage - Extra Expense**

a. If a Limit of Insurance is shown in the Declarations, we will pay the actual and necessary Extra Expense you sustain due to direct physical loss of or damage to:

- (1) Covered Property at your premises or in transit;
- (2) The building in which the Covered Property is located if the building is damaged to an extent that prevents access to the Covered Property;
- (3) The air conditioning system that specifically services your "Computer Equipment"; or
- (4) The electrical system that specifically services your data operation if the damage to the system occurs inside, or within 100 feet of, the building housing your "Computer Equipment".

b. Extra Expense means the following necessary expenses you incur during the "Period of Restoration" that you would not have incurred if there had been no direct physical loss or damage to property:

- (1) Expenses to avoid or minimize the suspension of business and to continue your business operations at:
  - (a) The described premises; and
  - (b) Replacement premises or temporary premises. These expenses include relocation expenses and costs to equip and operate the replacement or temporary locations;
- (2) Expenses to minimize the suspension of business if you cannot continue business operation; or
- (3) Expenses to:
  - (a) Repair or replace any Covered Property; or
  - (b) Research, replace or restore the lost information stored on Covered Property;

to the extent it reduces the amount of loss that otherwise would have been payable under this Optional Coverage.

c. The most we will pay for loss or damage under this coverage is the applicable Limit of Insurance shown in the Declarations.

**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 or damage.

**a. 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 Form.

**b. Nuclear Hazard**

- (1) Nuclear reaction or radiation, or radioactive contamination, however caused.
- (2) But if nuclear reaction or radiation, or radioactive contamination, results in fire, we will pay for the direct loss or damage caused by that fire.

**c. 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.

**d. Neglect**

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

Exclusions **B.1.a.** through **B.1.d.** 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. Delay, loss of use, loss of market or any other consequential loss.

b. Dishonest or criminal act committed by:

(1) You, any of your partners, employees, directors, trustees, or authorized representatives;

(2) A manager or a member if you are a limited liability company;

(3) Anyone else with an interest in the property, or their employees or authorized representatives; or

(4) Anyone else to whom the property is entrusted for any purpose.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

This exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire or to acts of destruction by your employees. But theft by employees is not covered.

c. Unauthorized instructions to transfer property to any person or to any place.

d. Work upon the property.

But if work upon the property results in fire or explosion, we will pay for direct loss or damage caused by that fire or explosion, if the fire or explosion would be covered under this Coverage Form.

3. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for the loss or damage caused by that Covered Cause of Loss.

a. Wear and tear, depreciation.

b. Any quality in the property that causes it to damage or destroy itself, hidden or latent defect, gradual deterioration.

c. Insects, vermin, rodents.

d. Corrosion, rust.

4. We will not pay for any Extra Expense loss caused by:

a. Programming errors; or

b. Incorrect instructions.

### 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.

Payments under the Debris Removal Additional Coverage will not increase the applicable Limit of Insurance; but if:

1. The sum of direct physical loss or damage and debris removal expense exceeds the Limit of Insurance; or

2. The debris removal expense exceeds the amount payable under the 25% limitation in Debris Removal Additional Coverage;

we will pay up to an additional \$10,000 in any one occurrence under the Debris Removal Additional Coverage.

### D. Deductible

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

### E. Additional Conditions

1. **General Condition E. Valuation in the Commercial Inland Marine Conditions** is replaced by the following:

a. The value of "computer equipment" will be:

(1) The cost of replacing the equipment with new property functionally identical to the damaged equipment if replaced; or

(2) Actual cash value if the property is not repaired or replaced.

In the event of partial damage to an item of "computer equipment", we will not pay more than the cost of reasonably restoring the property to its condition immediately prior to the loss.

b. The value of "data" will be the actual cost to reproduce. If the "data" is not replaced or reproduced, we will pay the cost of the value of the "media" with no stored "data".

- c. The value of "media" will be the cost to repair or replace the "media" with substantially identical property.
2. The following conditions apply in addition to the Commercial Inland Marine Conditions and the Common Policy Conditions:

**a. Coverage Territory**

- (1) We cover property wherever located within the United States of America, its territories and possessions and Canada.
- (2) We also cover property being shipped by air within and between points in Paragraph (1).

**b. Coinsurance**

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

With respect to "computer equipment", we will not pay the full amount of any loss or damage if the value of "computer equipment" at the location where the loss occurred at the time of loss or damage times the Coinsurance percentage shown in the Declarations is greater than the applicable Limit of Insurance for "computer equipment".

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

- (1) Multiply the value of "computer equipment" at the time of loss or damage 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 or damage, 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.

**F. Definitions**

- 1. "Computer Equipment" means:
  - a. Your programmable electronic equipment that is used to store, retrieve and process data. It includes their component parts and air conditioning, fire suppression equipment and electrical equipment used exclusively in your computer operations; and
  - b. Associated peripheral equipment that provides communication including input and output functions such as printing or auxiliary functions such as data transmission.

It does not include "data" and "media".

- 2. "Data" means:
  - a. Data stored on "media"; and
  - b. Programming records used for electronic data processing or electronically controlled equipment.
- 3. "Media" means electronic data processing, recording or storage media such as software, films, tapes, discs, drums or cells.
- 4. "Period of Restoration" means the period of time that:
  - a. Begins with the date of loss caused by or resulting from a Covered Cause of Loss at a covered location; and
  - b. Ends on the date when the property at the covered location should be repaired, rebuilt or replaced with reasonable speed and similar quality.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**PERSONAL PORTABLE COMPUTERS**

This endorsement modifies insurance provided under the following:

COMPUTER SYSTEMS COVERAGE FORM

**SCHEDULE\***

<b>Limits Of Insurance</b>	
\$2,500 Max	Per Item
Included in EDP Limit	Per Any One Loss
Deductible Applicable To This Endorsement	\$1,000
* Information required to complete this Schedule, if not shown on this endorsement, will be shown in the Declarations.	

<p><b>PROVISIONS</b></p> <p>Section A. Coverage is amended as follows:</p> <p>The following is added to Paragraph A.1. Covered Property:</p> <p style="padding-left: 40px;">c. Personal Portable Computer</p> <p style="padding-left: 80px;">(1) Portable personal computers, known as laptops or notebooks; and</p> <p style="padding-left: 80px;">(2) Related Auxiliary equipment;</p> <p>that you own or is in your care, custody or control and subject to the Limits of Insurance and Deductible shown in the Schedule.</p> <p>Paragraph A.2.c. is deleted.</p>	<p>With respect to coverage provided by this endorsement, Section E. Additional Conditions is amended as follows:</p> <ol style="list-style-type: none"> <li>1. We cover the property described in Paragraph A.1.c., wherever located.</li> <li>2. The Coinsurance Additional Condition does not apply to this endorsement.</li> </ol>
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## PENNSYLVANIA NOTICE

An Insurance Company, its agents, employees, or service contractors acting on its behalf, may provide services to reduce the likelihood of injury, death or loss. These services may include any of the following or related services incident to the application for, issuance, renewal or continuation of, a policy of insurance:

1. Surveys;
2. Consultation or advice; or
3. Inspections.

The "Insurance Consultation Services Exemption Act" of Pennsylvania provides that the Insurance Company, its agents, employees or service contractors acting on its behalf, is not liable for damages from injury, death or loss occurring as a result of any act or omission by any person in the furnishing of or the failure to furnish these services.

The Act does not apply:

1. If the injury, death or loss occurred during the actual performance of the services and was caused by the negligence of the Insurance Company, its agents, employees or service contractors;
2. To consultation services required to be performed under a written service contract not related to a policy of insurance; or
3. If any acts or omissions of the Insurance Company, its agents, employees or service contractors are judicially determined to constitute a crime, actual malice, or gross negligence.

### Instruction to Policy Writers

Attach the Pennsylvania Notice to all new and renewal certificates insuring risks located in Pennsylvania.

**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.



## **MARKEL INSURANCE COMPANY**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

### **TRADE OR ECONOMIC SANCTIONS**

The following is added to this policy:

#### **Trade Or Economic Sanctions**

This insurance does not provide any coverage, and we (the Company) shall not make payment of any claim or provide any benefit hereunder, to the extent that the provision of such coverage, payment of such claim or provision of such benefit would expose us (the Company) to a violation of any applicable trade or economic sanctions, laws or regulations, including but not limited to, those administered and enforced by the United States Treasury Department's Office of Foreign Assets Control (OFAC).

All other terms and conditions remain unchanged.



## MARKEL INSURANCE COMPANY

### MUSEUM COVERAGE FORM

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

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

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

#### A. Coverage

##### 1. Covered Property

- a. We will pay for loss or damage to property consisting of objects of art, rarity, or historic merit of every nature and description, including their frames, crates, cases, and packing materials.
- b. We insure:
  - (1) Property owned by you;
  - (2) Property of others for which you have agreed prior to loss or damage to insure;
  - (3) Property of others offered as gifts to you or for sale to you and while waiting formal acceptance by the Trustees or other authorized representatives; and
  - (4) Your interest in jointly owned property, but only to the extent of your interest at the time of loss or damage.

##### 2. Property Not Covered

- a. Covered Property does not include contraband or property in the course of illegal transportation or trade; or
- b. Property while on exhibition at fair grounds or on the premises of any national or international exposition, unless this coverage is added by endorsement and an additional premium is paid.

##### 3. Additional Coverage

###### a. Bailee Legal Liability

- (1) This policy covers your liability as bailee of all loan properties for which you have been instructed not to insure excluding however, any property for which you have obtained a signed release of liability from the owner. We will pay up to 25% of the policy limit.

In the event of any action involving you for loss or damage to such property, we will defend to the monetary extent of your proportionate interest as bailee in this insurance, all such actions and pay a proportionate share of all legal fees, court costs or judgments commensurate with your interest as bailee.

- (2) You shall not voluntarily assume any liability nor incur any expense nor settle any claim, except at your own cost. You shall not interfere in any negotiation for settlement or in any legal proceedings, but whenever requested and at our expense, you shall aid in securing information and evidence and the attendance of witnesses, and shall cooperate with us, except in a pecuniary way, in all matters which we may deem necessary in the defense of any suit or the prosecution of any appeal.



**b. Art Reference Library**

In addition to the items set forth in Covered Property, we will also pay for loss or damage to your art reference library, including books, catalogues and "computer media" at your premises. We will pay the "actual cash value", not to exceed 25% of the policy limit.

**4. Covered Causes Of Loss**

We will pay for direct physical loss or damage to Covered Property unless the loss or damage is excluded in Section **B. Exclusions**.

**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.

**a. War And Military Action**

- (1) War, including undeclared war, 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.

**b. Governmental Action**

Seizure or destruction of property by order of governmental authority.

However, 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 Form.

**c. 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 direct loss or damage caused by that fire if the fire would be covered under this Coverage Form.

Exclusions **B.1.a.** through **B.1.c.** 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.** Wear and tear, any quality in the product which causes it to damage or destroy itself, gradual deterioration.
- b.** Insects, vermin, or rodents.
- c.** Misappropriation, secretion, conversion, any fraudulent, dishonest, or criminal act or acts (including theft) committed by you, anyone else with an interest in the property or your or their employees (including temporary employees and leased workers) whether acting alone or in collusion with each other or with any other party.

This exclusion applies whether or not an act occurs during normal hours of operation.

This exclusion 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.

- d.** Theft by any person (except carriers for hire) to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party. This exclusion applies whether or not an act occurs during your normal hours of operation.
- e.** Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.

### C. Deductible

Each claim for loss or damage separately occurring shall be adjusted separately. We will not pay for loss or damage until the amount of loss or damage exceeds the applicable Deductible. We will then pay the amount of loss or damage in excess of that Deductible up to the applicable Limit of Insurance. In the event of any recovery or salvage on loss or damage which has been or is being paid thereunder, such recovery or salvage shall accrue entirely to our benefit under this policy until the sum we paid has been made up.

This Deductible shall not apply, however, to property on loan to you nor to property of others offered as gifts or for sale to you while awaiting formal acceptance by the Trustees or other authorized representative.

### D. Valuation

**GENERAL CONDITION F. Valuation** of the Commercial Inland Marine Conditions is replaced by the following:

#### Valuation

In the event of loss or damage, Covered Property will be settled as follows:

1. For total loss or damage, we will pay the following amounts:
  - a. Property owned by you. We shall not be liable beyond the "current market value" of the property at the time the loss or damage occurs. The loss or damage shall be ascertained or estimated according to such current market.
  - b. Property acquired or to be acquired by you as a gift or under wills or similar bequests, shall be valued at "current market value" at the time loss or damage occurs. In no event however, shall this policy cover beyond your interest therein, and in the event of loss or damage of such property, such interest at the time of loss or damage shall be that as stipulated in the will, bequest, contract or other document executed between you and the donor of said property.
  - c. Property of others on loan to you and which you have been instructed to insure or for which you may be liable, shall be valued at amounts agreed upon by you and the owners, or otherwise we shall not be liable beyond the "current market value" of the property at the time loss or damage occurs and in no event for an amount in excess of that specified in the policy.

In the event of total loss or damage, you will surrender the property to us.

2. For partial loss or damage, the most we will pay is the least of the following:
  - a. The cost to repair the property to its value immediately before the loss or damage;
  - b. The difference between the value of the property before and after the loss or damage; or
  - c. The cost to restore the property as nearly as possible to its condition immediately before the loss or damage. If the restored value is less than the value immediately before the loss or damage, we will pay the difference between the restored value and the value immediately before the loss or damage.

The most we will pay for total or partial loss or damage is the sum insured.

### E. Pair, Sets Or Parts

**LOSS CONDITION G. Pair, Sets Or Parts** of the Commercial Inland Marine Conditions is replaced by the following:

#### Pair, Sets Or Parts

In the event that any portion of the property insured hereunder is lost, damaged, or destroyed and which affects the value of the remaining portion, at your option we agree to pay:

1. The value of the entire property in accordance with the **Valuation** clause, and you agree to surrender the damaged and sound portions to us; or
2. The reasonable and fair proportion of the total value of the set, giving consideration to the importance of said article(s), but in no event shall it be considered a total loss.

### F. Additional Conditions

#### 1. Packing

You represent and agree that the Covered Property will be packed and unpacked by packers who are trained and skilled in utilizing procedures and materials necessary to protect the Covered Property.

## **2. Records**

You will keep a detailed and itemized inventory of all Covered Property. All records pertaining to this insurance shall be open to inspection by our authorized representative at any reasonable time.

## **3. Coverage Territory**

We cover property wherever located, except where U.S. foreign trade sanctions apply.

## **G. Definitions**

"Actual cash value" means a calculation of value that pays damages equal to the replacement value of damaged property minus depreciation.

"Computer media" means magnetic tapes, discs, or other storage devices, including the information recorded on them.

"Current market value" means the amount at the time of the loss or damage that it would cost to replace a property with another of similar age, quality, origin, appearance and condition within a reasonable length of time in an appropriate and relevant market.



## MARKEL INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### MOLD EXCLUSION

This endorsement modifies insurance provided under the following:

ANNUAL TRANSIT COVERAGE FORM  
 AUCTION HOUSE COVERAGE FORM  
 BAILEE'S CUSTOMER INSURANCE  
 BUILDERS RISK COVERAGE FORM  
 COMMERCIAL ARTIST COVERAGE FORM  
 COMPUTER SYSTEMS COVERAGE FORM  
 CONSERVATOR COVERAGE FORM  
 CONTRACTORS EQUIPMENT COVERAGE FORM  
 CORPORATE FINE ARTS COLLECTION COVERAGE FORM  
 EXHIBITION COVERAGE FORM  
 FINE ART DEALER COVERAGE FORM  
 INSTALLATION COVERAGE FORM  
 MISCELLANEOUS ARTICLES COVERAGE FORM  
 MOTOR TRUCK CARGO-CARRIERS COVERAGE FORM  
 MOTOR TRUCK CARGO-OWNERS COVERAGE FORM  
 MUSEUM COVERAGE FORM  
 RADIO AND TELEVISION TOWERS AND EQUIPMENT COVERAGE FORM  
 TRIP TRANSIT COVERAGE FORM  
 WAREHOUSE OPERATORS LEGAL LIABILITY COVERAGE FORM

The following Exclusion is added to Section **B. Exclusions**:

We will not pay for loss or damage caused directly or indirectly by or resulting directly or indirectly from "mold" existing, emanating or moving anywhere indoors and outdoors. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

This Exclusion applies to:

1. The actual, alleged or threatened discharge, dispersal, seepage, migration, release, escape, presence, growth or reproduction of "mold" as well as testing for, monitoring, cleaning up, removing, abating, mitigating, remediating, disposing, containing, treating, detoxifying or neutralizing, or in any way responding to or assessing the concentration or effect of "mold"; and
2. The cost of rebuilding, restoring, repairing or replacing any real or personal property, diminution in property value or any consequential loss, damage or expense caused directly or indirectly by or resulting directly or indirectly from "mold".

As used in this endorsement, the following term has the following meaning:

"Mold" means any permanent or transient fungus, mold, mildew or mycotoxin, or any of the spores, scents or by-products resulting therefrom regardless of whether they are determined to cause loss or damage.

All other terms and conditions remain the same.



## MARKEL INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### WATER EXCLUSION

This endorsement modifies insurance provided under the following:

ANNUAL TRANSIT COVERAGE FORM  
AUCTION HOUSE COVERAGE FORM  
COMMERCIAL ARTIST COVERAGE FORM  
COMPUTER SYSTEMS COVERAGE FORM  
CONSERVATOR COVERAGE FORM  
CONTRACTORS EQUIPMENT COVERAGE FORM  
CORPORATE FINE ARTS COLLECTION COVERAGE FORM  
DIFFERENCE IN CONDITIONS COVERAGE FORM  
EXHIBITION COVERAGE FORM  
FINE ART DEALER COVERAGE FORM  
MISCELLANEOUS ARTICLES COVERAGE FORM  
MOTOR TRUCK CARGO CARRIERS COVERAGE FORM  
MOTOR TRUCK CARGO OWNERS COVERAGE FORM  
MUSEUM COVERAGE FORM  
RADIO AND TELEVISION TOWERS AND EQUIPMENT COVERAGE FORM  
TRIP TRANSIT COVERAGE FORM  
WAREHOUSE OPERATIONS LEGAL LIABILITY COVERAGE FORM

The following Exclusion is added to Section **B. Exclusions**:

- (1) Water damage caused directly or indirectly by flood, surface water, waves (including tidal wave or 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); or
- (2) Waterborne material carried or otherwise moved by any water referred to in Paragraph (1).

This Exclusion applies regardless of whether any of the above, in Paragraphs (1) or (2), 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) or (2) results in fire, explosion or theft, we will pay for direct loss or damage caused by that fire, explosion or theft if these causes of loss would be covered under this Coverage Form.

This Exclusion does not apply to property in transit.

All other terms and conditions remain the same.



## MARKEL INSURANCE COMPANY

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.

### CONFIRMATION OF CERTIFIED ACTS OF TERRORISM COVERAGE – TERRORISM RISK INSURANCE ACT

#### SCHEDULE

Terrorism Premium:	\$100
Federal Share Of Terrorism Losses:	85% In 2015
	84% In 2016
	83% In 2017
	82% In 2018
	81% In 2019
	80% In 2020

#### Disclosure Of Premium

We have notified you that under the Terrorism Risk Insurance Act we must make certified acts of terrorism coverage available in the policies we offer.

Certified acts of terrorism coverage has been provided because either you have indicated to us or your agent that certified acts of terrorism coverage is desired or we have provided certified acts of terrorism coverage at no additional charge. If you have chosen to purchase certified acts of terrorism coverage, the premium charge is the amount shown in the Schedule of this notice.

If there is no premium shown above or the premium shown is \$0, there is no separate premium for the coverage during this policy period.

#### 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 the Schedule of this notice) 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.



Policy Number: 8502WSI036867-2

NAMED INSURED & MAILING ADDRESS	INSURER	PRODUCER
SusQ-Cyber Charter School 240 Market Street, Box 1A, Suite 15 Bloomsburg, PA 17815	MARKEL INSURANCE COMPANY 4600 Cox Road Glen Allen, VA 23060-9817	Henderson Brothers, Inc. 920 Ft. Duquesne Blvd Pittsburgh, PA 15222

ISSUED BY

Wright Specialty Insurance Agency LLC

**COMMERCIAL GENERAL LIABILITY  
POLICY DECLARATIONS**

POLICY PERIOD: FROM 7/1/2019 to 7/1/2020 12:01 A.M.  
AT THE INSURED'S MAILING ADDRESS

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

**LIMITS OF INSURANCE**

EACH OCCURRENCE	\$1,000,000
GENERAL AGGREGATE	\$2,000,000
PRODUCTS-COMPLETED OPERATIONS AGGREGATE	\$2,000,000
PERSONAL & ADVERTISING INJURY	\$1,000,000
DAMAGES TO PREMISES RENTED TO YOU	\$100,000 ANY ONE PREMISES
MEDICAL EXPENSE	\$5,000 ANY ONE PERSON
COMMERCIAL GENERAL LIABILITY POLICY TERMS AND CONDITIONS APPLY TO ALL PREMISES YOU OWN, RENT OR OCCUPY.	
<b>TOTAL COMMERCIAL GENERAL LIABILITY PREMIUM \$2,327</b>	

LOC CLASSIFICATIONS	CODE	PREMIUM BASIS	RATE		PREMIUM	
			Prod/Com Ops	Prem/OPS	Prod/Com Ops	Prem/Ops
Public 9 - 12	47473		INCLUDED	INCLUDED	INCLUDED	INCLUDED

**ENDORSEMENTS**

ENDORSEMENT NUMBER	EDITION DATE	DESCRIPTION
CG 00 01	04 13	Commercial General Liability Coverage Form
CG 00 68	05 09	Recording and Distribution of Material or Information in Violation of Law Exclusion
CG 21 06	05 14	Exclusion-Access or Disclosure of Confidential or Personal Information & Data-Related Liability-With Limited Bodily Injury Exception
CG 21 47	12 07	Employment Related Practices Exclusion
CG 21 67	12 04	Fungi or Bacteria Exclusion
CG 21 70	01 15	Cap on Losses from Certified Acts of Terrorism
CG 21 76	01 08	Exclusion of Punitive Damages Related to a Certified Act of Terrorism
CG 21 96	03 05	Silica or Silica-Related Dust Exclusion
CG 24 22	04 13	Amendment of Coverage Territory-Worldwide Coverage
CG 25 04	05 09	Designated Location(s) General Aggregate Limit
IL 00 03	09 08	Calculation of Premium
IL 00 17	11 98	Common Policy Conditions
IL 00 21	09 08	Nuclear Energy Liability Exclusion
IL 01 20	10 13	Pennsylvania Changes - Defense Costs
IL 02 46	09 07	Pennsylvania Changes - Cancellation and Nonrenewal
IL 09 10	12 03	Pennsylvania Notice
MD 001	07 02	Commercial Lines Policy Declarations Page
MDGL 1501	10 16	Commercial General Liability Policy Declarations
MGL 1248	10 16	Counseling Professional Liability Coverage
MGL 1275	10 16	Honor Roll Elite Commercial General Liability Enhancement
MGL 1278	10 16	Electronic Chatrooms or Bulletin Boards
MGL 1280	10 16	Trampoline Limitation
MGL 1281	10 16	Sexual Misconduct Coverage and Innocent Insured Defense Only Coverage
MGL 1288	04 17	Limited Coverage For Designated Unmanned Aircraft
MGL 1310	10 16	Exclusion - Students Medical Payments
MGL 1321	02 19	Exclusion - Firearms or Conducted Energy Devices
MGL 1322	10 16	Amendment Of Expected Or Intended Injury Exclusion - Restraint Or Removal Of Students
MGL 1324	10 16	Limited Exclusion - Professional Services with Exceptions for Student Interns and Certain Medical Services
MGL 1541	02 19	Crisis Management And Public Relations Expense Coverages
MGL-TERR-1	01 15	Confirmation Of Certified Acts Of Terrorism Coverage ? Terrorism Risk Insurance Act
MIL 1207	05 15	Two or More Coverage Forms or Policies Issued By Us
MIL 1214	09 17	Trade Or Economic Sanctions
MIL 1301	03 14	Exclusion - Fungi or Bacteria
MIL 1303	05 15	Exclusion - Asbestos
MIL 1304	05 15	Exclusion - Lead
MIL 1305	05 15	Exclusion - Punitive Damages
MJIL 1000	06 10	Markel Insurance Company Policy Jacket

THESE DECLARATIONS, TOGETHER WITH THE COMMON POLICY CONDITIONS AND COVERAGE FORM(S) AND ANY ENDORSEMENT(S), COMPLETE THE ABOVE NUMBERED POLICY.

Countersigned:	By:
7/1/2019	<i>Kevin C. Beer</i>