

Non-Policy Forms

The following forms were sent to you with your policy, but they are not part of your policy. They contain information which you may find useful about your policy, insurance in general, your premium payments, or other topics of interest. These forms do not give you insurance coverage. Refer to the forms that are part of your policy to determine if a loss is covered, and what we will pay, as well as your rights and duties.

GRS PHN 001 05 17	POLICYHOLDER NOTICE
GRS PHN 001 05 17	POLICYHOLDER NOTICE
IL P 001 01 04	U.S. TREASURY DEPT OFFICE OF FOREIGN ASSETS NOTICE
PHN 002 IL 01 15	POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE
PHN 047 04 16	DMV VEHICLE REPORTING INFORMATION POLICYHOLDER NOTICE
VCA U 030 NM 12 16	NM UNINSURED MOTORISTS COVERAGE SELECTION/REJECTION
VGN 002 01 10	SPECIAL PROPERTY PLUS COVERAGE FORM QUICK REFERENCE GUIDE
VGN 058 09 14	INSPECTION SERVICES
VPN 100 04 14	NOTICE - CLARIFICATION ON BUSINESS PERSONAL PROPERTY

3 5-72-0075 07/24/2018 P1B CPW PR 1.000



ADVISORY NOTICE TO POLICYHOLDERS

ADOPTION OF REVISED COMMERCIAL GENERAL LIABILITY, PUBLIC OFFICIAL ERRORS AND OMISSIONS, LAW ENFORCEMENT LIABILITY AND EXCESS LIABILITY COVERAGE FORMS AND ENDORSEMENTS and CERTAIN COMMERCIAL AUTO ENDORSEMENTS

We are notifying you that we have revised our Government Risks liability coverage forms and endorsements for all available liability coverages, including Commercial General Liability, Public Officials Errors & Omissions Liability, Law Enforcement Liability and Excess Liability coverage forms and endorsements, and certain Commercial Auto endorsements. We are also introducing new endorsements. This is a summary of the major changes to the individual coverage forms you may have purchased for your policy. No coverage is provided by this summary nor can it be construed to replace any provisions of your coverage forms or endorsements. You should read your entire policy, including all coverage forms, endorsements and Declaration pages, for complete information on the coverages you are provided. If there is any conflict between the policy and this summary, **THE PROVISIONS OF THE POLICY SHALL PREVAIL.**

The areas within each coverage form you may have purchased for your policy that broaden, reduce or reinforce coverage are highlighted below. This notice does not reference every change, including editorial changes, made in your policy.

COVERAGE FORM

GRS GL 101 01 16 Commercial General Liability

GRS GL 102 01 16 Commercial General Liability Claims-Made

GRS GL 101R 01 16 Commercial General Liability Self-Insured Retention

GRS GL 102R 01 16 Commercial General Liability Self-Insured Retention Claims-Made

BROADENING OF COVERAGE

REVISION TO SECTION I – COVERAGES – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE

Exclusion b.(2) Aircraft (Other than Unmanned Aircraft), Auto or Watercraft exclusion is changed to allow coverage for owned watercraft up to 300 horsepower.

Exclusion p. Fungi or Bacteria exclusion is changed to add an exception for fungi or bacteria that are, or on, or are contained in, a good or product intended for bodily consumption.

Exclusion s. Liquor Liability exclusion is changed to add: *For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.*

REVISION TO SECTION I – COVERAGES – YOUR RETENTION (applies only to form GRS GL 101R and GRS GL 102R)

The requirement that you accept any offer of settlement within the self-insured retention amount deemed reasonable by us is changed to our recommendation that you accept a reasonable offer of settlement within the self-insured retention amount. You will have 10 days to evaluate our recommendation.

REDUCTION OF COVERAGE

REVISION TO SECTION I – COVERAGES – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE

Exclusion b. Aircraft, Auto or Watercraft exclusion is changed to add an exclusion for unmanned aircraft. An optional endorsement is available to insure owned unmanned aircraft used in your operations.

Exclusion j. Distribution of Material Information in Violation of Statutes exclusion is re-titled to Recording and Distribution of Material or Information in Violation of Law, includes laws addressing printing, dissemination, disposal, collecting or recording of information and now specifically lists the Fair Credit Reporting Act (FCRA) and Fair and Accurate Credit Transactions Act (FACTA).

A new exclusion, cc., is added for Aviation & Airports. An optional endorsement is available to insure designated operations, project or premises at an owned airport or aviation facility.

A new exclusion, dd., is added for Hospitals. An optional endorsement is available to insure designated operations, project or premises at an owned hospital.

A new exclusion, ee., is added for Nursing, Assisted Living, Senior, Hospice, Long-Term Care or Retirement Homes or Facilities. An optional endorsement is available to insure designated operations, project or premises at particular facility.

REVISION TO SECTION I – COVERAGES – COVERAGE B – PERSONAL AND ADVERTISING INJURY

Exclusion e. Distribution of Material Information in Violation of Statutes exclusion is re-titled to Recording and Distribution of Material or Information in Violation of Law, includes laws addressing printing, dissemination, disposal, collecting or recording of information and now specifically lists the Fair Credit Reporting Act (FCRA) and Fair and Accurate Credit Transactions Act (FACTA).

A new exclusion, w., is added for unmanned aircraft.

REVISION TO SECTION I – COVERAGES – COVERAGE C – HEALTH CARE AND SOCIAL SERVICES LIABILITY

A new exclusion, c., is added for jail nurses or other medical workers at a jail.

Language is added to the Policy's Other Insurance condition in Section IV – GENERAL LIABILITY CONDITIONS specifying that health care or social services coverage is excess over other insurance.

REINFORCEMENTS AND CLARIFICATIONS OF COVERAGE

REVISION TO SECTION I – COVERAGES – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE

Exclusion m. Employer's Liability has additional clarifying language that an elected or appointed official is subject to the exclusion like an employee.

Exclusion n. Employment practices exclusion, via revision to the defined terms "employment practices" and "administration", has additional clarifying language that an elected or appointed official is subject to the exclusion like an employee.

Exclusion s. Liquor Liability exclusion has additional clarifying language that it applies even if the liquor liability claims include companion negligence counts such as failure to supervise or failure to provide transportation.

We also attach by mandatory endorsement an Exclusion for Access or Disclosure of Confidential or Personal Information and Data-Related Liability; Computer or Components; Network Security or Hacking Event to clarify that there is no coverage for cyber liabilities.

REVISION TO SECTION I – COVERAGES – COVERAGE B – PERSONAL AND ADVERTISING INJURY

Exclusion h. Employment practices exclusion, via revision to the defined terms "employment practices" and "administration", has additional clarifying language that an elected or appointed official is subject to the exclusion like an employee.

We also attach by mandatory endorsement an Exclusion for Access or Disclosure of Confidential or Personal Information and Data-Related Liability; Computer or Components; Network Security or Hacking Event to clarify that there is no coverage for cyber liabilities.

REVISION TO SECTION I – COVERAGES – COVERAGE C – HEALTH CARE AND SOCIAL SERVICES LIABILITY

Exclusion b., Criminal Acts, is re-titled to Fraudulent, Dishonest, Criminal or Malicious Acts Or Willful Violations.

REVISION TO SUPPLEMENTARY PAYMENTS – COVERAGES A, B AND C (applies only to form GRS GL 101R and GRS GL 102R)

Paragraph 2 is revised to clarify that there is a right, but not duty, to defend an indemnitee, on the retention-based coverage forms, same as in respect to the insured.

SECTION V – DEFINITIONS

The Definition of "health care and social services wrongful act" is revised to further clarify that a "health care and social services wrongful act" is in regard to transport activities of the first responder, nurse, emergency medical technician or paramedic.

The Definition of "law enforcement services wrongful act" is revised to clarify that emergency services dispatch operations are part of the law enforcement services wrongful act definition.

Commercial General Liability Endorsements

You should review the endorsements attached to this coverage part. We have made editorial changes to our existing endorsements. Some of the titles and text of endorsements may have changed.

We have also introduced the following new mandatory endorsement to clarify non-coverage of cyber liabilities:

- GRS GL 210. Exclusion-Access or Disclosure of Confidential or Personal Information and Data-Related Liability; Computer or Components; Network Security or Hacking Event. Used to clarify that there is no coverage for cyber liabilities under a commercial general liability coverage part. This endorsement is also described above in the coverage form notice.

COVERAGE FORM

GRS EO 101 01 16 Public Officials Errors and Omissions

GRS EO 102 01 16 Public Officials Errors and Omissions Claims-Made

GRS EO 101R Public Officials Errors and Omissions Self-Insured Retention

GRS EO 102R Public Officials Errors and Omissions Self-Insured Retention Claims-Made

BROADENING OF COVERAGE

REVISION TO COVERED EMPLOYMENT PRACTICES OFFENSE

The definitions of "administration", "employment practices offense" and "employee benefit plans" are changed to add elected or appointed officials. Also, in paragraph h. of the definition of "employment practices offense", we have added additional wording "including physical symptoms resulting from such abuse" to "other work-related verbal, mental or emotional abuse arising from 'discrimination'".

REVISION TO SECTION II – YOUR RETENTION (applies only to form GRS EO 101R and GRS EO 102R)

The requirement that you accept any offer of settlement within the self-insured retention amount deemed reasonable by us is changed to our recommendation that you accept a reasonable offer of settlement within the self-insured retention amount. You will have 10 days to evaluate our recommendation.

REVISION TO SECTION IV – WHO IS AN INSURED

We have added as insureds the spouses of certain individual insureds.

REDUCTION OF COVERAGE

REVISION TO SECTION I – COVERAGES A. Insuring Agreement – Liability for Wrongful Acts and SECTION III – EXCLUSIONS

Your expiring public officials errors and omission coverage form's definition of "wrongful act" includes limited coverage for violations of privacy regulations and breach of duty with respect to network security, however, such provisions have been deleted from the revised coverage form, as we are introducing a new coverage form, Information Risk & Recovery™, which contains network security coverage. In light of the newly available Information Risk & Recovery™ coverage, we are removing network security coverage from other liability forms. In addition, we are adding by mandatory endorsement a new exclusion Access or Disclosure of Confidential or Personal Information and Data-Related Liability; Computer or Components; Network Security or Hacking Event. Your renewal proposal will include an optional quote for Information Risk & Recovery™ which can provide coverage for network security and additional cyber coverage exposures.

REVISION TO SECTION III – EXCLUSIONS

We have added a new exclusion, Employee Benefits, Perquisites and Perks. This exclusion applies to claims for benefits, perquisites or perks under Coverage B – Liability for Employment Practices Offenses.

Exclusion 4. Contracts is revised to a new format. The excluded items are now listed as a. through d., and the scope of the exclusion is somewhat expanded, including to tortious interference with contract.

SECTION V – DEFINITIONS

The Definition of "damages" is amended to provide additional clarification about items that do not constitute "damages", such as: fines, penalties, taxes, sanctions or assessments; non-monetary relief; payment, restitution, return or disgorgement of fees, profits, commissions, charges wrongfully or unjustly held or obtained; supplementary payments; punitive or exemplary damages unless insurable by law; matter uninsurable under applicable law.

REINFORCEMENTS AND CLARIFICATIONS OF COVERAGE

REVISION TO SECTION III – EXCLUSIONS

Exclusion 4. Contracts is revised to a new format. The excluded items are now listed as a. through d., and the scope of the exclusion is somewhat expanded, including to tortious interference with contract.

Exclusion 5. Criminal Acts is re-titled to Dishonest, Malicious, Fraudulent or Criminal Acts or Willful Violations.

SECTION V – DEFINITIONS

The Definition of "health care and social services wrongful act" is revised to further clarify that a "health care and social services wrongful act" is in regard to transport activities of the first responder, nurse, emergency medical technician or paramedic.

The Definition of "law enforcement services wrongful act" is revised to clarify that emergency services dispatch operations are part of the law enforcement services wrongful act definition.

The Definitions of "related employment practices offenses" and "related wrongful acts" are revised to clarify that an employment practices offense or wrongful act can be related through either a logical or causal connection.

Public Officials Errors & Omissions Liability Endorsements

You should review the endorsements attached to this coverage part. We have made editorial changes to our existing endorsements. Some of the titles and text may have changed.

We have also introduced the following new mandatory endorsement to clarify non-coverage of cyber liabilities:

- GRS EO 206. Exclusion-Access or Disclosure of Confidential or Personal Information and Data-Related Liability; Computer or Components; Network Security or Hacking Event. Used to clarify that there is no coverage for cyber liabilities under this coverage part, in addition to the coverage part changes described above, which included deleting network security coverage from the existing public officials errors & omissions coverage forms.

COVERAGE FORM

GRS LE 101 01 16 Law Enforcement Liability

GRS LE 102 01 16 Law Enforcement Liability Claims-Made

GRS LE 101R 01 16 Law Enforcement Liability Self-Insured Retention

GRS LE 102R 01 16 Law Enforcement Liability Self-Insured Retention Claims-Made

BROADENING OF COVERAGE

REVISION TO SECTION I – COVERAGES AND SECTION VII – DEFINITIONS RE COVERED LAW ENFORCEMENT ACTIVITIES

The definition of "law enforcement activities" is changed to add emergency services dispatch operations conducted by you.

REVISION TO WATERCRAFT EXCLUSION EXCEPTION

The horsepower exception in Exclusion 2.b. Aircraft (Other than Unmanned Aircraft), Auto or Watercraft is increased to allow coverage for owned watercraft up to 300 horsepower.

REVISION TO SECTION II – YOUR RETENTION (applies only to form GRS LE 101R and GRS LE 102R)

The requirement that you accept any offer of settlement within the self-insured retention amount deemed reasonable by us is changed to our recommendation that you accept a reasonable offer of settlement within the self-insured retention amount. You will have 10 days to evaluate our recommendation.

REVISION TO SECTION IV – WHO IS AN INSURED

We have added as insureds the spouses of certain individual insureds.

REDUCTION OF COVERAGE

REVISION TO AIRCRAFT, AUTO OR WATERCRAFT EXCLUSION

Exclusion 2. Aircraft, Auto or Watercraft exclusion is changed to add an exclusion for unmanned aircraft. An optional endorsement is available to insure owned unmanned aircraft used in your law enforcement operations.

REVISION TO SECTION III – EXCLUSIONS

Exclusion 3. Contracts is revised to a new format. The excluded items are now listed as a. through d. The excluded items are now listed as a. through d., and the scope of the exclusion is somewhat expanded, including to tortious interference with contract.

We have also added new exclusion Jail Nurses or Other Medical Worker at a Jail. An optional endorsement is available to insure jail nurses.

SECTION V – DEFINITIONS

The Definition of "damages" is amended to provide additional clarification about items that do not constitute "damages", such as: fines, penalties, taxes, sanctions or assessments; non-monetary relief; payment, restitution, return or disgorgement of fees, profits, commissions, charges wrongfully or unjustly held or obtained; supplementary payments; punitive or exemplary damages unless insurable by law; matter uninsurable under applicable law.

REINFORCEMENTS AND CLARIFICATIONS COVERAGE

REVISION TO SECTION III – EXCLUSIONS

Exclusion 4. Criminal Acts is re-titled to Dishonest, Malicious, Fraudulent or Criminal Acts or Willful Violations.

Exclusion 6. Employer's Liability has additional clarifying language that an elected or appointed official is subject to the exclusion like an employee.

Exclusion 7. Employment practices exclusion, via revision to the defined terms "employment practices" and "administration", has additional clarifying language that an elected or appointed official is subject to the exclusion like an employee.

We added a new exclusion Access or Disclosure of Confidential or Personal Information and Data-Related Liability; Computer or Components; Network Security or Hacking Event by mandatory endorsement. This exclusion is added to support the introduction of a new coverage form, Information Risk & Recovery™. Your expiring law enforcement liability coverage form definition of "law enforcement activities" does not include data privacy or network security.

SECTION VII – DEFINITIONS

The Definition of "health care and social services wrongful act" is revised to further clarify that a "health care and social services wrongful act" is in regard to transport activities of the first responder, nurse, emergency medical technician or paramedic.

Law Enforcement Liability Endorsements

You should review the endorsements attached to this coverage part. We have made editorial changes to our existing endorsements. Some of the titles and text may have changed.

We have also introduced the following mandatory endorsement to clarify non-coverage of cyber liabilities:

- GRS LE 205. Exclusion-Access or Disclosure of Confidential or Personal Information and Data-Related Liability; Computer or Components; Network Security or Hacking Event. Used to clarify that there is no coverage for cyber liabilities under law enforcement liability coverage part. This endorsement is also described above in the coverage form notice.

COVERAGE FORM

GRS EL 101 01 16 Excess Liability

REINFORCEMENTS AND CLARIFICATIONS COVERAGE

SECTION VI – DEFINITIONS

The definition of "Claim(s)" is changed to "Claim(s)" has the meaning given to it in the applicable Coverage Part of the "underlying insurance".

The definition of "Damages" is changed to "Damages" has the meaning given to it in the applicable Coverage Part of the "underlying insurance".

The definition of "Pollutants" is changed to "Pollutants" has the meaning given to it in the applicable Coverage Part of the "underlying insurance."

The definition of "Suit" is changed to "Suit" has the meaning given to it in the applicable Coverage Part of the "underlying insurance."

SECTION III – EXCLUSIONS

Throughout this section the reference to any "claim" is changed to any "claim", loss, cost or expense.

Also, the words "in any way related to" are added to Exclusions 4. Failure to Supply, 5. Pollution and 6. Sexual Abuse.

Also, the phrase "sudden and accidental pollution" replaces "accidental pollution" in Exclusion 5. Pollution.

Also, in Exclusion 6. Sexual Abuse, the phrase "of any person for whom any insured is or ever was legally responsible" is replaced with the phrase "of any person who actually or allegedly committed or attempted to commit 'sexual abuse' for whom any insured is or ever was legally responsible" to align with the language of the underlying insurance.

Excess Liability Endorsements

You should review the endorsements attached to this coverage part. We have made editorial changes to our existing endorsements. Some of the titles and text may have changed.

STATUTORY IMMUNITY OR STATUTORY TORT CAP ENDORSEMENTS

Also, some states have governmental immunity and/or tort limits statutes, necessitating certain mandatory protection of immunity and statutory tort cap limits of insurance endorsements for governmental entities to help protect our public entity insureds' governmental immunities and damage limits and preserve their insurance.

In all states where we have such endorsements, we have made editorial revisions to the existing protection of immunity and statutory tort cap endorsements that may be attached to your policy's coverage parts if you are in one of those states, which include: Arkansas, Delaware, Georgia, Iowa, Idaho, Kansas, Maryland, Maine, Minnesota, Missouri, Mississippi, North Carolina, North Dakota, Nebraska, New Hampshire, Oklahoma, South Dakota and Wyoming.

Also, we are introducing new protection of immunity and/or statutory tort cap limits of insurance endorsements in some states on some coverage parts, as noted below:

- Arkansas
 - GRS EL AR 03. Protection of Immunity. Excess Liability.
- Florida
 - GRS CA FL 02. Statutory Tort Cap Limits of Insurance. Commercial Auto.
 - GRS GL FL 02. Statutory Tort Cap Limits of Insurance. Commercial General Liability.
 - GRS EO FL 02. Statutory Tort Cap Limits of Insurance. Public Officials Errors & Omissions.
 - GRS LE FL 02. Statutory Tort Cap Limits of Insurance. Law Enforcement Liability.
- Georgia
 - GRS CA GA 02. Statutory Tort Cap Limits of Insurance. Commercial Auto.
- Kentucky
 - GRS CA KY 02. Protection of Immunity. Commercial Auto.
 - GRS GL KY 02. Protection of Immunity. Commercial General Liability.
 - GRS EO KY 02. Protection of Immunity. Public Officials Errors & Omissions.
 - GRS LE KY 02. Protection of Immunity. Law Enforcement Liability.
 - GRS EL KY 02. Protection of Immunity. Excess Liability.
- Maine
 - GRS EL ME 03. Protection of Immunity. Excess Liability.
- North Carolina
 - GRS EL NC 02. Protection of Immunity. Excess Liability.
- Utah
 - GRS CA UT 03. Statutory Tort Cap Limits of Insurance. Commercial Auto.
 - GRS GL UT 03. Statutory Tort Cap Limits of Insurance. Commercial General Liability.
 - GRS EO UT 03. Statutory Tort Cap Limits of Insurance. Public Officials Errors & Omissions.

- GRS LE UT 03. Statutory Tort Cap Limits of Insurance. Law Enforcement Liability.
- Vermont
 - GRS CA VT 04. Protection of Immunity. Commercial Auto.
 - GRS GL VT 04. Protection of Immunity. Commercial General Liability.
 - GRS EO VT 04. Protection of Immunity. Public Officials Errors & Omissions.
 - GRS LE VT 04. Protection of Immunity. Law Enforcement Liability.
 - GRS EL VT 04. Protection of Immunity. Excess Liability.
- West Virginia
 - GRS CA WV 02. Protection of Immunity. Commercial Auto.
 - GRS GL WV 02. Protection of Immunity. Commercial General Liability.
 - GRS EO WV 02. Protection of Immunity. Public Officials Errors & Omissions.
 - GRS LE WV 02. Protection of Immunity. Law Enforcement Liability.
 - GRS EL WV 02. Protection of Immunity. Excess Liability.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**NEW MEXICO CHANGES – CANCELLATION AND NONRENEWAL**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PUBLIC OFFICIALS ERRORS AND OMISSIONS COVERAGE PART
LAW ENFORCEMENT LIABILITY COVERAGE PART
EXCESS LIABILITY COVERAGE PART
INFORMATION RISK AND RECOVERY COVERAGE PART

- A. Paragraph 2. of Paragraph A. Cancellation** of the **COMMON POLICY CONDITIONS** is replaced by the following:

2. Permissible Reasons And Notice Period

- a.** If this Policy has been in effect less than 60 days and is not a renewal of a policy we issued, we may cancel for any reason by mailing or delivering to the first Named Insured written notice of cancellation at least 10 days before the effective date of cancellation, provided that the cancellation becomes effective before the Policy has been in effect for 60 days.
- b.** If Paragraph **a.** above does not apply, we may cancel only for one or more of the following reasons:
 - (1)** Nonpayment of premium;
 - (2)** There has been a substantial change in the risk assumed by us since the Policy was issued;
 - (3)** The Policy was obtained through material misrepresentation, fraudulent statements, omissions or concealment of fact material to the acceptance of the risk or to the hazard assumed by us;
 - (4)** Willful and negligent acts or omission by the insured have substantially increased the hazards insured against; or
 - (5)** You presented a claim based on fraud or material misrepresentation.
- c.** If we cancel subject to Paragraph **2.b.** above, we will mail or deliver to the first Named Insured written notice of cancellation at least:
 - (1)** 10 days before the effective date of cancellation, for the reason set forth in **2.b.(1)** above;
 - (2)** 30 days before the effective date of cancellation, for the reason set forth in **2.b.(2)** above; or
 - (3)** 15 days before the effective date of cancellation, for a reason set forth in **2.b.(3), 2.b.(4) or 2.b.(5)** above.

The written notice will state the reason for cancellation, except that such statement may be omitted from a notice mailed to an additional insured or lienholder under this Policy.

- B. Paragraph B. When We Do Not Renew** of the **COMMON POLICY CONDITIONS** is replaced by the following:

When We Do Not Renew

If we decide not to renew this Policy, we will mail to the first Named Insured written notice of the nonrenewal not less than 30 days before the expiration date of the Policy.

Proof of mailing will be sufficient proof of notice.

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

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

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

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

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

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

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

Insured Name and Address:

Policy Number: 791-00-08-54-0003MIDDLE RIO GRANDE CONSERVANCY DISTRICT
PO BOX 581
ALBUQUERQUE, NM 87103-0581

POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

As we previously notified you, as required by the Terrorism Risk Insurance Act, as amended in 2015, you were offered the opportunity to purchase insurance coverage for losses resulting from acts of terrorism, *as defined in Section 102(1) of the Act*. The term "act of terrorism" means any act or acts that are certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security, and the Attorney General of the United States - to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

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

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

You rejected the offer of terrorism coverage you received as part of your policy quote and you have no coverage for losses resulting from an act of terrorism as defined in the Act. The premium required for your terrorism coverage would have been: \$7,078.

If your policy includes Property Coverage in one or more of these states: CA, CT, GA, HI, IA, IL, MA, ME, MO, NC, NJ, NY, OR, RI, VA, WA, WI, or WV; the following statement applies:

The terrorism exclusion makes an exception for (and thereby continues your coverage for) property fire losses resulting from an act of terrorism. Therefore, even though you rejected the offer of terrorism coverage, that rejection does not apply to fire losses resulting from an act of terrorism - the coverage in your policy for such fire losses will continue. If such a loss occurs, and is certified under the Act, the loss will be reimbursed by the United States under the formula detailed above.

The portion of your policy premium attributable to terrorism (fire only) coverage in all of the states listed above, in which your policy provides property coverage, is \$0. This amount is included in your policy premium and cannot be rejected.

If your policy includes Inland Marine Coverage in one or more of these states: CA, ME, OR or WI, the following statement applies:

The terrorism exclusion makes an exception for (and thereby continues your coverage for) direct property damage fire losses resulting from an act of terrorism. Therefore, if you reject the offer of terrorism coverage, that rejection does not apply to direct property damage fire losses resulting from an act terrorism - the coverage in your policy for such fire losses will continue. If such a loss occurs, and is certified under the Act, the loss will be reimbursed by the United States under the formula detailed above.

In all of the states listed above in which your policy provides Inland Marine coverage, the portion of your Inland Marine policy premium attributable to coverage for direct property damage from fire resulting from terrorism will be \$0. This amount is included in your policy premium and cannot be rejected.

You need to take no action with respect to this notice. You will receive a bill for your policy premium which will include the amount required for your coverage for fire losses resulting from an act of terrorism, if applicable.

If you have any questions about this notice, please contact your agent.

DMV VEHICLE REPORTING INFORMATION POLICYHOLDER NOTICE

COMMERCIAL AUTO

We are required to report the existence, or cancellation, of insurance on vehicles to the DMV in your home state or in a state in which you have a vehicle garaged. This is why, at policy inception, we require a list of all vehicles and their VIN numbers to be insured under your policy even if your policy is rated on a composite basis. (Your rate is based on the type and number of vehicles to be insured.)

It is important for you to notify us if you remove or add vehicles to your fleet while your policy is in force. This will enable us to comply with DMV reporting requirements which will allow law enforcement access to your insurance information should your vehicle be involved in any traffic-related incidents. We will not make changes to your policy by endorsement or modify your premium from any such notification. Any appropriate changes of that type will be addressed by policy audit.

Please notify us of any vehicle additions or removals by email to dmvnotifications@onebeacon.com and provide the vehicle year, make, model and VIN number.

No coverage is provided by this notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations Page for complete information on the coverages your new policy provides. If there is any conflict between the policy and this notice, THE PROVISIONS OF THE POLICY WILL PREVAIL.

As always, please contact your agent or broker with any questions about your insurance coverage, your renewal or this notice.

INSPECTION SERVICES

Provided by THE HARTFORD STEAM BOILER INSPECTION AND INSURANCE COMPANY

DO YOU NEED A CERTIFICATE INSPECTION?

Please contact our hotline @ (800) 333-INSP (4677)

Jurisdictional regulations which govern the inspections and certification of certain equipment can be complicated and confusing. Depending on the jurisdiction one or more of the following equipment may require a certificate:

- Power boilers, and high-pressure, high-temperature water boilers.
- Low-pressure steam or vapor heating boilers, hot-water heating, and hot-water supply boilers.
- Refrigeration Systems
- Pressure Vessels

For your convenience, our partner - Hartford Steam Boiler - has an Inspection Hotline to answer your questions and receive inspection requests. As part of your Equipment Breakdown coverage with OneBeacon, you can request jurisdictionally mandated inspections using the contact details below.

Ways to contact Hartford Steam Boiler:

Inspection Hotline: (800) 333-4677
7:00 A.M. – 7:00 P.M. EST

Email: NSCINSP_HOTLINE@hsb.com

Fax #: (484) 582-1811

When calling to schedule an inspection, we require the following information:

- Location Name
- Location Address
- Contact Name
- Contact Phone Number
- OneBeacon Policy Number
- State or Jurisdictional # associated with the equipment (if available)



POLICYHOLDER NOTICE

CLARIFICATION ON BUSINESS PERSONAL PROPERTY CAUSES OF LOSS

Your policy may include one or more pages titled **Commercial Property Coverage Part Declarations Location Level Limits of Insurance**.

Please note that wording has been added to the **Commercial Property Coverage Part Declarations Location Level Limits of Insurance** pages to clarify that when the term BUSINESS PERSONAL PROPERTY is shown in the Declarations as the Covered Property, all types of personal property covered by the applicable limit of insurance are subject to the General Causes of Loss

NEW MEXICO UNINSURED MOTORISTS COVERAGE SELECTION/REJECTION

Applicant/Named Insured: MIDDLE RIO GRANDE CONSERVANCY DISTRICT PO BOX 581 ALBUQUERQUE, NM 87103-0581	Policy Number: 791-00-08-54-0003
Policy Effective Date: 07/01/2018	Producer: HUB INTERNATIONAL INSURANCE SE INC. P.O. BOX 90756 ALBUQUERQUE, NM <div style="text-align: right; margin-top: 20px;">87199</div>

New Mexico law permits you to make certain decisions regarding Uninsured Motorists Coverage. This document describes this coverage and the options available.

You should read this document carefully and contact your agent if you have any questions regarding Uninsured Motorists Coverage and your options with respect to this coverage.

This document includes general descriptions of coverage. However, no coverage is provided by this document. You should read your policy and review your Declarations Page(s) and/or Schedule(s) for complete information on the coverage you are provided.

Uninsured Motorists Coverage provides insurance protection to an insured for damages which the insured is legally entitled to recover from the owner or operator of an uninsured motor vehicle or underinsured motor vehicle because of bodily injury, or from the owner or operator of an uninsured motor vehicle because of property damage, caused by an automobile accident. Also included are damages due to bodily injury or property damage that result from an automobile accident with a hit-and-run vehicle whose owner or operator cannot be identified.

Unless rejected, Uninsured Motorists Coverage will be afforded at a limit at least equal to the limits of your Combined Single Limit for Liability Coverage.

Please indicate your choice by initialing next to the appropriate item **and signing** below.

A. Rejection Of Uninsured Motorists Coverage

<div style="border-bottom: 1px solid black; margin-bottom: 5px; width: 80%;"></div> <div style="text-align: center;">(Initials)</div>	I reject Uninsured Motorists Coverage.
---------------------------------------------------------------------------------------------------------------------------------------	-----------------------------------------------

B. Selection Of Uninsured Motorists Coverage Limit

I select the following limit for Uninsured Motorists Coverage. (The limit selected cannot exceed the Liability Coverage limit of your policy.)

(Choose from the following options:)

(Initials)	Combined Single Limit	Premium
	\$ 60,000	\$6,633
	\$ 100,000	\$8,643
	\$ 200,000	\$12,462
	\$ 250,000	\$13,869
	\$ 300,000	\$15,276
	\$ 350,000	\$16,080
	\$ 500,000	\$18,746
	\$ 1,000,000	\$22,110

Signature Of Applicant/Named Insured

Date



Atlantic Specialty Insurance Company
150 Royall Street
Canton, MA 02021

(781) 332-7000
* A Stock Company



for OB Government Risks
Premier

Common Policy Declarations

Named Insured and Mailing Address

MIDDLE RIO GRANDE CONSERVANCY DISTRICT
PO BOX 581
ALBUQUERQUE, NM 87103-0581

Policy Number 791-00-08-54-0003

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.

Policy Period: from July 01, 2018 to July 01, 2019

at 12:01 A.M. Standard Time at your mailing address shown above.

The Named Insured is a(n): Governmental Entity

Business Description: NM WATER DISTRICT

Producer

HUB INTERNATIONAL INSURANCE SERVICES,
INC.
P.O. BOX 90756
ALBUQUERQUE, NM 87199

Total Premium

At inception: \$417,527

Forms applicable to all Coverage Parts:

See ASC 00 11 01 98, Schedule 1

3 5-72-0075 07/24/2018 P1B CPW PR 1.000

In witness whereof, we have issued this policy, signed by the President and Secretary, but it shall not be valid unless countersigned by our duly authorized representative.


Secretary


President

Countersigned

Authorized Representative

Date

SCHEDULE 1

Effective 07/01/2018 , this schedule forms a part of Policy No. 791-00-08-54-0003
(At the time stated in the policy)

issued to

MIDDLE RIO GRANDE CONSERVANCY DISTRICT

Producer: HUB INTERNATIONAL INSURANCE SERVICES,
INC.

by Atlantic Specialty Insurance Company

Common Policy Declarations, 4 VIL 100 10 98, Continued:

Forms Applicable to All Coverage Parts:

4 VIL 100 10 98	COMMON POLICY DECLARATIONS
ASC 00 02 01 98	PREMIUM STATEMENT
ASC 00 12 01 98	SCHEDULE OF LOCATIONS
OB IL 008 NM 01 17	NEW MEXICO CHANGES - CANCELLATION AND NONRENEWAL
VIL 001 02 05	COMMON POLICY CONDITIONS- (N/A TO VA AUTO)
VIL 500 07 06	PREMIUM DETAIL SUMMARY
ASC 00 11 01 98	Schedule 1 - LIST OF COMMON DEC FORMS

3 5-72-0075 07/24/2018 P1B CPW PR 1.000

**COMMON POLICY DECLARATIONS
PREMIUM STATEMENT**

Named Insured:

MIDDLE RIO GRANDE CONSERVANCY DISTRICT
PO BOX 581
ALBUQUERQUE, NM 87103-0581

Producer:

HUB INTERNATIONAL INSURANCE SERVICES,
INC.
P.O. BOX 90756
ALBUQUERQUE, NM 87199

Premium Statement for the period from July 01, 2018 **to** July 01, 2019

This policy consists of the following coverage parts for which a premium is indicated. This premium may be subject to adjustment.

COVERAGE SECTION	PREMIUM		
	At inception	1st Anniversary	2nd Anniversary
Property Coverages	\$9,665		
Liability Coverages	\$227,634		
Inland Marine Coverages	\$25,325		
Automobile Coverages	\$136,899		
Professional Liability Coverages	\$18,004		
Terrorism (Fire Only) Coverage	\$0		
Total Advanced Premium	\$417,527		

Premium Detail Summary

Coverage	Non-Reporting Premium	Reporting Deposit Premium	Minimum Retained Premium	Reporting Minimum Retained Premium
Contractor's Equipment	\$25,325			

SCHEDULE OF LOCATIONS

Effective 07/01/2018, this schedule forms a part of Policy No. 791-00-08-54-0003
(At the time stated in the policy)

issued to

MIDDLE RIO GRANDE CONSERVANCY DISTRICT

Producer: HUB INTERNATIONAL INSURANCE SERVICES,
INC.

by Atlantic Specialty Insurance Company

The following locations are identified by their corresponding numbers on the various coverage part declarations of this policy.

Location/ Premises	Location Address Location Description Building Number and Description
1	1931 2ND ST SW ALBUQUERQUE, NM 87102-4515 Building 1 Description: ABQ MAIN OFFICE
2	1930A 2ND ST SW ALBUQUERQUE, NM 87102-1455 Building 1 Description: ABQ DIVISION OFFICE
3	25 GENERAL E BACA RD BELEN, NM 87002-7285 Building 1 Description: BELEN DIV OFFICE INCL OVERHANG Building 2 Description: SAW ROOM Building 3 Description: WELDING SHOP Building 4 Description: OVER HANG
4	2401 STATE ROAD 1 SOCORRO, NM 87801 Building 1 Description: SOCORRO DIV OFFICE Building 2 Description: STORAGE - OIL ROOM Building 3 Description: STORAGE - MECHANIC Building 4 Description: MAINTENANCE GARAGE

3 5-72-0075 07/24/2018 P1B CPW PR 1.000

SCHEDULE OF LOCATIONS

Effective 07/01/2018, this schedule forms a part of Policy No. 791-00-08-54-0003
(At the time stated in the policy)

issued to

MIDDLE RIO GRANDE CONSERVANCY DISTRICT

Producer: HUB INTERNATIONAL INSURANCE SERVICES,
INC.

by Atlantic Specialty Insurance Company

The following locations are identified by their corresponding numbers on the various coverage part declarations of this policy.

Location/ Premises	Location Address Location Description Building Number and Description
5	31 CARROS DE CABALLOS PENA BLANCA, NM 87041 Building 1 Description: SHOP/CLASSROOM Building 2 Description: STORAGE W/LEAN TO Building 3 Description: COCHITI DIV OFFICE Building 4 Description: STORAGE/LUMBER ROOM
6	1932A 2ND ST SW ALBUQUERQUE, NM 87102-1455 Building 1 Description: ER&T OFFICE/SHOP
7	1932B 2ND ST NW ALBUQUERQUE, NM 87102 Building 1 Description: ARCHIVE BLDG
8	1930B 2ND ST NW ALBUQUERQUE, NM 87102 Building 1 Description: WELDING STORAGE
9	1932C 2ND ST NW ALBUQUERQUE, NM 87102 Building 1 Description: HERBICIDE STORAGE

3 5-72-0075 07/24/2018 P1B CPW PR 1.000

COMMON POLICY CONDITIONS

All coverages of 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. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 45 days before the expiration date.

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

C. 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.

D. Concealment, Misrepresentation or Fraud

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

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

E. 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.

F. Inspections and Surveys

We have the right but are not obligated to:

1. Make inspections and surveys at any time;
2. Give you reports on the conditions we find; and
3. Recommend changes.

Any inspections, surveys, reports or recommendations 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:

1. Are safe or healthful; or
2. Comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

G. Liberalization

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

H. Premiums

1. All Named Insureds shown in the Declarations are jointly and severally liable and responsible for the payment of all premiums.
2. The first Named Insured shown in the Declarations will be the payee of any return premiums we pay.

I. Premium Audit

1. This policy is subject to audit if a premium designated as an advance premium is shown in the Declarations. We will compute the final premium due when we determine your actual exposures.
2. Premium shown in this policy as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
3. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

J. 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.

K. Unintentional Errors or Omissions

Your failure to disclose all hazards existing as of the inception date of the policy shall not prejudice you with respect to the coverage afforded by this policy, provided such failure or omission is not intentional. However, this provision does not affect our right to collect additional premium or exercise our right of cancellation or nonrenewal.

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.

NEW MEXICO CHANGES – PROPERTY CLAIMS SETTLEMENT IN THE EVENT OF A CATASTROPHE

This endorsement modifies insurance provided under the following:

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

- A.** The provisions of this endorsement apply to a claim for direct physical loss or damage to Covered Property, provided that:
 - 1.** The claim is for loss or damage that results from a catastrophe declared by the Superintendent of Insurance; and
 - 2.** The catastrophic event is a Covered Cause of Loss.
- B.** The word loss, as used in this endorsement, includes "loss" as defined in certain coverage forms.
- C.** The following provisions, **C.1.** and **C.2.**, are added to the policy and supersede any provisions to the contrary:
 - 1.** If you reported your claim to us:
 - a.** Before the catastrophe was declared, we will reach agreement with you on the amount of loss within 90 days after the date the catastrophe was declared;
 - b.** After the catastrophe was declared, we will reach agreement with you on the amount of loss within 90 days after the date on which you reported the claim.
 - 2.** However, the time periods specified in **C.1.** above will be extended by the period of time taken to resolve the following situations:
 - a.** We suspect the claim is fraudulent and commence an investigation to make such a determination;
 - b.** You do not provide the necessary information regarding the nature of the claim, following our request for such information; or
 - c.** You filed suit against us in connection with the claim before expiration of the applicable 90-day period.
- D.** All other provisions of this policy continue to apply in the event of a catastrophe, including the Suit Against Us and Appraisal conditions.
- E.** This endorsement does not invalidate our right to deny your claim, nor the right of either party to seek judgment in a court having jurisdiction.

SCHEDULE 2

Effective 07/01/2018, this schedule forms a part of Policy No. 791-00-08-54-0003
(At the time stated in the policy)

issued to

MIDDLE RIO GRANDE CONSERVANCY DISTRICT

Producer: HUB INTERNATIONAL INSURANCE SERVICES,
INC.

by Atlantic Specialty Insurance Company

Commercial Property Coverage Part Declarations, ASC 00 03 01 98,
Continued:

Forms Applicable to the Property Coverage Part:

ASC 00 03 01 98	PROPERTY COV PART DEC - POLICY LEVEL LIMITS OF INSURANCE
ASC 00 13 01 10	SUPPLEMENTAL PROPERTY DEC
IL 01 78 09 07	NM CHANGES - PROPERTY CLAIMS IN THE EVENT OF A CATASTROPHE
IL 09 53 01 15	EXCLUSION OF CERTIFIED ACTS OF TERRORISM
VCP 001 01 10	SPECIAL PROPERTY PLUS COVERAGE FORM
VCP 003 01 10	PROPERTY CONDITIONS
VCP 004 01 10	CRIME CONDITIONS
VCP 100 04 14	COMMERCIAL PROPERTY DEC
VCP 315 01 10	COMPUTER FRAUD
VCP 373 01 10	LIMITED COVERAGE FOR BACKUP OF SEWERS, DRAINS OR SUMPS
VCP 387 01 10	MARGIN CLAUSE - BUILDING & BUSINESS PERSONAL PROPERTY
VCP 470 01 10	GREEN UPGRADES ADDITIONAL COVERAGE
VCP 475 01 10	BROAD WATER EXCLUSION
VCP 657 NM 01 10	NM AMENDATORY ENDORSEMENT
ASC 00 11 01 98	Schedule 2 - PROPERTY FORMS LIST
ASC 00 11 01 98	Schedule 3 - COINSURANCE SCHEDULE

3 5-72-0075 07/24/2018 P1B CPW PR 1.000

**PROPERTY COVERAGE PART DECLARATIONS
POLICY LEVEL LIMITS OF INSURANCE**

THE FOLLOWING LIMITS ARE THE TOTAL COVERAGE LIMITS FOR THAT PARTICULAR COVERAGE AND INCLUDE THE AMOUNT PROVIDED IN THE APPROPRIATE FORM.

Bucket	\$500,000 Per Occurrence
Personal Effects of Officers, Partners & Employees	
Valuable Information Property	
Accounts Receivable	
Outdoor Property	
Fine Arts	\$10,000 Per Item
Hardware and Media	
Fire Extinguisher and Automatic Extinguishing System Recharge	
Emergency Response Service Charge	
Conditional Sales Agreement	
Decreased value of Stock due to Damage to another part or parts of Stock	
Tenants Improvements & Betterments	
Electronic Data Damage or Destruction from Inland Marine Causes of Loss	
Electronic Data Loss of Income and Extra Expense from Inland Marine Causes of Loss	
Equipment Breakdown Portfolio	
Expediting Expenses	\$100,000
Hazardous Substances	\$100,000
Perishable Goods	\$100,000
CFC Refrigerants	\$100,000
Property in Transit	\$50,000 Per Occurrence \$5,000 Deductible
International Air Shipments	\$25,000 Per Occurrence \$5,000 Deductible
Property at Other Locations	\$50,000 Per Occurrence \$5,000 Deductible
Crime Limit of Insurance	\$25,000 Per Occurrence \$5,000 Deductible
Money Orders and Counterfeit Paper Currency	
Inside the Premises - Robbery or Safe Burglary of Other Property	
Forms Applicable to the Commercial Property Coverage Part:	
See ASC 00 11 01 98, Schedule 2	

3 5-72-0075 07/24/2018 P1B CPW PR 1.000

**PROPERTY COVERAGE PART DECLARATIONS
POLICY LEVEL LIMITS OF INSURANCE**

THE FOLLOWING LIMITS ARE THE TOTAL COVERAGE LIMITS FOR THAT PARTICULAR COVERAGE AND INCLUDE THE AMOUNT PROVIDED IN THE APPROPRIATE FORM.

Employee Theft	\$250,000 \$5,000 Deductible
ERISA Employee Theft	\$25,000 Per Occurrence \$0 Deductible
Forgery & Alteration	\$100,000 \$1,000 Deductible
Credit, Debit or Charge Card Forgery	\$5,000 Per Occurrence \$5,000 Deductible
Computer Fraud	\$100,000 \$1,000 Deductible
Newly Acquired or Constructed Property Building	\$5,000 Deductible \$2,000,000 180 Days
Business Personal Property	\$1,000,000 180 Days
Claim Expense	\$50,000 Per Occurrence \$0 Deductible
Reward	\$50,000 Per Occurrence \$0 Deductible
Contractual Penalties	\$50,000 Per Occurrence \$0 Deductible
Automatic Seasonal Increase (Peak Season)	\$100,000 Per Occurrence \$5,000 Deductible
Brands and Labels Expense	\$50,000 Per Occurrence \$5,000 Deductible
Food Contamination	\$25,000 Per Occurrence \$5,000 Deductible
Newly Acquired Property Business Income *	\$250,000 Per Occurrence 180 Days

Forms Applicable to the Commercial Property Coverage Part:

See ASC 00 11 01 98, Schedule 2

3 5-72-0075 07/24/2018 P1B CPW PR 1.000

**PROPERTY COVERAGE PART DECLARATIONS
POLICY LEVEL LIMITS OF INSURANCE**

THE FOLLOWING LIMITS ARE THE TOTAL COVERAGE LIMITS FOR THAT PARTICULAR COVERAGE AND INCLUDE THE AMOUNT PROVIDED IN THE APPROPRIATE FORM.

Extra Expense *	\$100,000 Limits on Loss Payment 100%-100%-100%
Lessee's Leasehold Interest Coverage	\$25,000 Per Occurrence
Business Income or Extra Expense Utility Services Coverage *	\$25,000 Per Occurrence Water, Power (Not Including Overhead Transmission Lines), Communication (Not Including Overhead Transmission Lines)
Dependent Properties *	\$100,000 Per Occurrence
Lessor's Lease Cancellation **	\$25,000 Per Occurrence
Lessor's Tenant Relocation Expense **	\$25,000 Per Occurrence
Limited Coverage for Fungus, Wet Rot, Dry Rot and Bacteria	\$15,000 Annual Aggregate \$5,000 Deductible
Electronic Data Damage or Destruction - Cyber Vandalism - Employee	\$50,000 Annual Aggregate \$5,000 Deductible
Electronic Data Damage or Destruction - Cyber Vandalism - Non-Employee	\$10,000 Annual Aggregate \$5,000 Deductible
Electronic Data Loss of Income and Extra Expense - Cyber Vandalism - Employee	\$50,000 Annual Aggregate Waiting Period - 72 hours
Electronic Data Loss of Income and Extra Expense - Cyber Vandalism - Non- Employee	\$10,000 Annual Aggregate Waiting Period - 72 hours
Denial of Service Coverage	\$10,000 Annual Aggregate
California Hardware, Media and Electronic Data Earthquake	\$100,000 Per Occurrence \$5,000 Deductible
Preservation of Property - Expense	\$50,000 Per Occurrence \$0 Deductible
Lock Replacement	\$10,000 Per Occurrence

Forms Applicable to the Commercial Property Coverage Part:

See ASC 00 11 01 98, Schedule 2

3 5-72-0075 07/24/2018 P1B CPW PR 1.000

**PROPERTY COVERAGE PART DECLARATIONS
POLICY LEVEL LIMITS OF INSURANCE**

THE FOLLOWING LIMITS ARE THE TOTAL COVERAGE LIMITS FOR THAT PARTICULAR COVERAGE AND INCLUDE THE AMOUNT PROVIDED IN THE APPROPRIATE FORM.

Catastrophe Allowance	\$50,000 Annual Aggregate \$0 Deductible
Expediting Expenses	\$50,000 Per Occurrence \$0 Deductible
Soft Costs	\$25,000 Per Occurrence \$0 Deductible
Temporary Relocation of Property Coverage During Renovation or Remodeling	\$100,000 Per Occurrence 90 Days \$0 Deductible
Salesmen's Samples	\$25,000 Per Occurrence \$5,000 Deductible
Limited Coverage for Backup of Sewers, Drains or Sumps	\$100,000 Annual Aggregate \$5,000 Deductible
Green Upgrades Additional Coverage	\$50,000 Per Occurrence 10% Green Upgrades Percentage

* This Coverage Extension to purchased Business Income Coverage or purchased Extra Expense Coverage applies only to locations where that purchased coverage is shown in the Supplemental Property Declarations.

** This Coverage Extension to purchased Business Income Coverage applies only to locations where that purchased coverage is shown in the Supplemental Property Declarations.

Forms Applicable to the Commercial Property Coverage Part:

See ASC 00 11 01 98, Schedule 2

3 5-72-0075 07/24/2018 P1B CPW PR 1.000

**COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS
LOCATION LEVEL LIMITS OF INSURANCE**

Valuation (Val): RC = Replacement Cost
 ACV = Actual Cash Value
 SV = Stated Value
 FRC = Functional Replacement Cost

When the term BUSINESS PERSONAL PROPERTY is shown in the Declarations as the Covered Property, all types of personal property covered by the applicable limit of insurance are subject to the General Causes of Loss.

THE FOLLOWING LIMITS ARE THE TOTAL COVERAGE LIMITS FOR THAT PARTICULAR COVERAGE AND INCLUDE THE AMOUNT PROVIDED IN THE APPROPRIATE FORM.

Loc	Bldg	Covered Property	Limit of Insurance	Deductible	Val	Infl Guard
		Blanket Coverage	\$5,242,250			
1	1	Building		\$5,000	RC	
2	1	Building		\$5,000	RC	
3	1	Building		\$5,000	RC	
3	2	Building		\$5,000	RC	
3	3	Building		\$5,000	RC	
3	4	Building		\$5,000	RC	
4	1	Building		\$5,000	RC	
4	2	Building		\$5,000	RC	
4	3	Building		\$5,000	RC	
4	4	Building		\$5,000	RC	
5	1	Building		\$5,000	RC	
5	2	Building		\$5,000	RC	
5	3	Building		\$5,000	RC	
5	4	Building		\$5,000	RC	
6	1	Building		\$5,000	RC	
7	1	Building		\$5,000	RC	
8	1	Building		\$5,000	RC	
9	1	Building		\$5,000	RC	
		Blanket Coverage	\$1,001,500			
1	1	Business Personal Property		\$5,000	RC	
2	1	Business Personal Property		\$5,000	RC	
3	1	Business Personal Property		\$5,000	RC	
4	1	Business Personal Property		\$5,000	RC	
4	2	Business Personal Property		\$5,000	RC	
4	3	Business Personal Property		\$5,000	RC	
4	4	Business Personal Property		\$5,000	RC	
5	1	Business Personal Property		\$5,000	RC	
5	3	Business Personal Property		\$5,000	RC	
6	1	Business Personal Property		\$5,000	RC	
		Blanket Hardware & Media	\$794,234			
1	1	Hardware and Media		\$5,000	FRC	
2	1	Hardware and Media		\$5,000	FRC	
3	1	Hardware and Media		\$5,000	FRC	
4	1	Hardware and Media		\$5,000	FRC	
5	1	Hardware and Media		\$5,000	FRC	
6	1	Hardware and Media		\$5,000	FRC	
7	1	Hardware and Media		\$5,000	FRC	
8	1	Hardware and Media		\$5,000	FRC	
9	1	Hardware and Media		\$5,000	FRC	

SUPPLEMENTAL PROPERTY COVERAGE PART DECLARATIONS**THE FOLLOWING LIMITS ARE THE TOTAL COVERAGE LIMITS FOR THAT PARTICULAR COVERAGE AND INCLUDE THE AMOUNT PROVIDED IN THE APPROPRIATE FORM.**

Blanket Business Income & Extra Expense \$500,000

Loc	Bldg	Option(s)
1	1	Including Rental Value Extended Period of Indemnity 90 days Waiting Period - 72 hours Civil Authority Coverage - 4 Weeks Coinsurance 90%
2	1	Including Rental Value Extended Period of Indemnity 90 days Waiting Period - 72 hours Civil Authority Coverage - 4 Weeks Coinsurance 90%
3	1	Including Rental Value Extended Period of Indemnity 90 days Waiting Period - 72 hours Civil Authority Coverage - 4 Weeks Coinsurance 90%
3	2	Including Rental Value Extended Period of Indemnity 90 days Waiting Period - 72 hours Civil Authority Coverage - 4 Weeks Coinsurance 90%
3	3	Including Rental Value Extended Period of Indemnity 90 days Waiting Period - 72 hours Civil Authority Coverage - 4 Weeks Coinsurance 90%
3	4	Including Rental Value Extended Period of Indemnity 90 days Waiting Period - 72 hours Civil Authority Coverage - 4 Weeks Coinsurance 90%
4	1	Including Rental Value Extended Period of Indemnity 90 days Waiting Period - 72 hours Civil Authority Coverage - 4 Weeks Coinsurance 90%
4	2	Including Rental Value Extended Period of Indemnity 90 days Waiting Period - 72 hours Civil Authority Coverage - 4 Weeks Coinsurance 90%
4	3	Including Rental Value Extended Period of Indemnity 90 days Waiting Period - 72 hours Civil Authority Coverage - 4 Weeks Coinsurance 90%
4	4	Including Rental Value Extended Period of Indemnity 90 days Waiting Period - 72 hours Civil Authority Coverage - 4 Weeks Coinsurance 90%

3 5-72-0075 07/24/2018 P1B CPW PR 1.000

SUPPLEMENTAL PROPERTY COVERAGE PART DECLARATIONS

THE FOLLOWING LIMITS ARE THE TOTAL COVERAGE LIMITS FOR THAT PARTICULAR COVERAGE AND INCLUDE THE AMOUNT PROVIDED IN THE APPROPRIATE FORM.

Blanket Business Income & Extra Expense \$500,000

Loc	Bldg	Option(s)
5	1	Including Rental Value Extended Period of Indemnity 90 days Waiting Period - 72 hours Civil Authority Coverage - 4 Weeks Coinsurance 90%
5	2	Including Rental Value Extended Period of Indemnity 90 days Waiting Period - 72 hours Civil Authority Coverage - 4 Weeks Coinsurance 90%
5	3	Including Rental Value Extended Period of Indemnity 90 days Waiting Period - 72 hours Civil Authority Coverage - 4 Weeks Coinsurance 90%
5	4	Including Rental Value Extended Period of Indemnity 90 days Waiting Period - 72 hours Civil Authority Coverage - 4 Weeks Coinsurance 90%
6	1	Including Rental Value Extended Period of Indemnity 90 days Waiting Period - 72 hours Civil Authority Coverage - 4 Weeks Coinsurance 90%
7	1	Including Rental Value Extended Period of Indemnity 90 days Waiting Period - 72 hours Civil Authority Coverage - 4 Weeks Coinsurance 90%
8	1	Including Rental Value Extended Period of Indemnity 90 days Waiting Period - 72 hours Civil Authority Coverage - 4 Weeks Coinsurance 90%
9	1	Including Rental Value Extended Period of Indemnity 90 days Waiting Period - 72 hours Civil Authority Coverage - 4 Weeks Coinsurance 90%

Money & Securities Loss Inside

Loc	Bldg	Limit	Deductible	Option(s)
1	1	\$100,000	\$5,000	

Money & Securities Loss Outside

Loc	Bldg	Limit	Deductible	Option(s)
1	1	\$100,000	\$5,000	

Pollutant Clean Up and Removal

Loc	Bldg	Limit	Deductible	Option(s)
1	1	\$100,000	\$5,000	
2	1	\$100,000	\$5,000	
3	1	\$100,000	\$5,000	

3 5-72-0075 07/24/2018 P1B CPW PR 1.000

SUPPLEMENTAL PROPERTY COVERAGE PART DECLARATIONS

THE FOLLOWING LIMITS ARE THE TOTAL COVERAGE LIMITS FOR THAT PARTICULAR COVERAGE AND INCLUDE THE AMOUNT PROVIDED IN THE APPROPRIATE FORM.

Pollutant Clean Up and Removal

Loc	Bldg	Limit	Deductible	Option(s)
3	2	\$100,000	\$5,000	
3	3	\$100,000	\$5,000	
3	4	\$100,000	\$5,000	
4	1	\$100,000	\$5,000	
4	2	\$100,000	\$5,000	
4	3	\$100,000	\$5,000	
4	4	\$100,000	\$5,000	
5	1	\$100,000	\$5,000	
5	2	\$100,000	\$5,000	
5	3	\$100,000	\$5,000	
5	4	\$100,000	\$5,000	
6	1	\$100,000	\$5,000	
7	1	\$100,000	\$5,000	
8	1	\$100,000	\$5,000	
9	1	\$100,000	\$5,000	

Debris Removal

Loc	Bldg	Limit	Deductible	Option(s)
1	1	\$250,000	\$5,000	
2	1	\$250,000	\$5,000	
3	1	\$250,000	\$5,000	
3	2	\$250,000	\$5,000	
3	3	\$250,000	\$5,000	
3	4	\$250,000	\$5,000	
4	1	\$250,000	\$5,000	
4	2	\$250,000	\$5,000	
4	3	\$250,000	\$5,000	
4	4	\$250,000	\$5,000	
5	1	\$250,000	\$5,000	
5	2	\$250,000	\$5,000	
5	3	\$250,000	\$5,000	
5	4	\$250,000	\$5,000	
6	1	\$250,000	\$5,000	
7	1	\$250,000	\$5,000	
8	1	\$250,000	\$5,000	
9	1	\$250,000	\$5,000	

Building Ordinance Combined Coverages B&C

Coverage A included in Building Limit

Loc	Bldg	B & C Limit	Deductible	Option(s)
1	1	\$500,000	\$0	
2	1	\$500,000	\$0	
3	1	\$500,000	\$0	
3	2	\$500,000	\$0	
3	3	\$500,000	\$0	
3	4	\$500,000	\$0	
4	1	\$500,000	\$0	
4	2	\$500,000	\$0	
4	3	\$500,000	\$0	
4	4	\$500,000	\$0	
5	1	\$500,000	\$0	
5	2	\$500,000	\$0	
5	3	\$500,000	\$0	
5	4	\$500,000	\$0	

3 5-72-0075 07/24/2018 P1B CPW PR 1.000

SUPPLEMENTAL PROPERTY COVERAGE PART DECLARATIONS**THE FOLLOWING LIMITS ARE THE TOTAL COVERAGE LIMITS FOR THAT PARTICULAR COVERAGE AND INCLUDE THE AMOUNT PROVIDED IN THE APPROPRIATE FORM.**

Building Ordinance Combined Coverages B&C

Coverage A included in Building Limit

Loc	Bldg	B & C Limit	Deductible	Option(s)
6	1	\$500,000	\$0	
7	1	\$500,000	\$0	
8	1	\$500,000	\$0	
9	1	\$500,000	\$0	

Special Theft Limits of Insurance

Furs, fur garments and garments trimmed with fur

Loc	Bldg	Limit	Deductible
1	1	\$10,000	\$5,000
2	1	\$10,000	\$5,000
3	1	\$10,000	\$5,000
3	2	\$10,000	\$5,000
3	3	\$10,000	\$5,000
3	4	\$10,000	\$5,000
4	1	\$10,000	\$5,000
4	2	\$10,000	\$5,000
4	3	\$10,000	\$5,000
4	4	\$10,000	\$5,000
5	1	\$10,000	\$5,000
5	2	\$10,000	\$5,000
5	3	\$10,000	\$5,000
5	4	\$10,000	\$5,000
6	1	\$10,000	\$5,000
7	1	\$10,000	\$5,000
8	1	\$10,000	\$5,000
9	1	\$10,000	\$5,000

Jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion

Loc	Bldg	Limit	Deductible
1	1	\$10,000	\$5,000
2	1	\$10,000	\$5,000
3	1	\$10,000	\$5,000
3	2	\$10,000	\$5,000
3	3	\$10,000	\$5,000
3	4	\$10,000	\$5,000
4	1	\$10,000	\$5,000
4	2	\$10,000	\$5,000
4	3	\$10,000	\$5,000
4	4	\$10,000	\$5,000
5	1	\$10,000	\$5,000
5	2	\$10,000	\$5,000
5	3	\$10,000	\$5,000
5	4	\$10,000	\$5,000
6	1	\$10,000	\$5,000
7	1	\$10,000	\$5,000
8	1	\$10,000	\$5,000
9	1	\$10,000	\$5,000

Gold, silver, platinum, and other precious alloys or metals

Loc	Bldg	Limit	Deductible
1	1	\$25,000	\$5,000
2	1	\$25,000	\$5,000
3	1	\$25,000	\$5,000
3	2	\$25,000	\$5,000

3 5-72-0075 07/24/2018 P1B CPW PR 1.000

SUPPLEMENTAL PROPERTY COVERAGE PART DECLARATIONS**THE FOLLOWING LIMITS ARE THE TOTAL COVERAGE LIMITS FOR THAT PARTICULAR COVERAGE AND INCLUDE THE AMOUNT PROVIDED IN THE APPROPRIATE FORM.**

Special Theft Limits of Insurance

Gold, silver, platinum, and other precious alloys or metals

Loc	Bldg	Limit	Deductible
3	3	\$25,000	\$5,000
3	4	\$25,000	\$5,000
4	1	\$25,000	\$5,000
4	2	\$25,000	\$5,000
4	3	\$25,000	\$5,000
4	4	\$25,000	\$5,000
5	1	\$25,000	\$5,000
5	2	\$25,000	\$5,000
5	3	\$25,000	\$5,000
5	4	\$25,000	\$5,000
6	1	\$25,000	\$5,000
7	1	\$25,000	\$5,000
8	1	\$25,000	\$5,000
9	1	\$25,000	\$5,000

Stamps, tickets, and letters of credit

Loc	Bldg	Limit	Deductible
1	1	\$1,000	\$5,000
2	1	\$1,000	\$5,000
3	1	\$1,000	\$5,000
3	2	\$1,000	\$5,000
3	3	\$1,000	\$5,000
3	4	\$1,000	\$5,000
4	1	\$1,000	\$5,000
4	2	\$1,000	\$5,000
4	3	\$1,000	\$5,000
4	4	\$1,000	\$5,000
5	1	\$1,000	\$5,000
5	2	\$1,000	\$5,000
5	3	\$1,000	\$5,000
5	4	\$1,000	\$5,000
6	1	\$1,000	\$5,000
7	1	\$1,000	\$5,000
8	1	\$1,000	\$5,000
9	1	\$1,000	\$5,000

3 5-72-0075 07/24/2018 P1B CPW PR 1.000

SCHEDULE 3

Effective 07/01/2018 , this schedule forms a part of Policy No. 791-00-08-54-0003
(At the time stated in the policy)

issued to

MIDDLE RIO GRANDE CONSERVANCY DISTRICT

Producer: HUB INTERNATIONAL INSURANCE SERVICES,
INC.

by Atlantic Specialty Insurance Company

Coinsurance

Loc	Bldg	Coverage	Coinsurance
1	1	Building	90%
		Business Personal Property	90%
2	1	Building	90%
		Business Personal Property	90%
3	1	Building	90%
		Business Personal Property	90%
	2	Building	90%
	3	Building	90%
	4	Building	90%
4	1	Building	90%
		Business Personal Property	90%
	2	Building	90%
		Business Personal Property	90%
	3	Building	90%
		Business Personal Property	90%
	4	Building	90%
		Business Personal Property	90%
5	1	Building	90%
		Business Personal Property	90%
	2	Building	90%
	3	Building	90%
		Business Personal Property	90%
	4	Building	90%
6	1	Building	90%
		Business Personal Property	90%
7	1	Building	90%
8	1	Building	90%
9	1	Building	90%

3 5-72-0075 07/24/2018 P1B CPW PR 1.000

SPECIAL PROPERTY PLUS COVERAGE FORM QUICK REFERENCE GUIDE

This guide is provided for your convenience as an aid to finding provisions of your Special Property Plus Coverage Form. IT IS NOT PART OF YOUR POLICY AND DOES NOT GIVE COVERAGE. Please refer to your policy provisions for a full description of your coverage, and any limitations, conditions or exclusions which may apply.

A. COVERAGES	pages 1 - 26
1. Building Coverage	pages 1 - 2
2. Building Ordinance	pages 3 - 5
3. Business Personal Property Coverage	pages 5 - 7
a. Automatic Seasonal Increase	page 6
b. Brands and Labels Expense	page 6
c. Food Contaminations	
d. Building Glass- Tenant's	pages 6 - 7
e. Newly Acquired or Constructed Property- Your Business Personal Property	page 7
4. Property at Other Locations	page 7
5. Property In Transit Coverage	pages 8 - 9
a. Free-On-Board Shipments Coverage Extension	page 8
b. International Air Shipments Coverage Extension	page 8
6. Time Element Coverages	pages 9 - 15
a. Business Income	pages 9 - 10
b. Extended Period of Indemnity	pages 10 - 11
c. Extra Expense	pages 11 - 13
d. Business Income or Extra Expense Utility Services	page 13
e. Dependent Properties	pages 13 - 14
f. Civil Authority	pages 14 - 15
g. Lessor's – Lease Cancellation	page 15
h. Lessor's Tenant Relocation Expense	page 15
i. Additional Conditions	page 15
7. Lessee's Leasehold Interest Coverage	page 16
8. Limited Coverage for Fungus, Wet Rot, and Dry Rot	page 16
9. Pollutant Clean Up and Debris Removal Coverages	page 16
a. Pollutant Clean Up and Removal	page 16
b. Debris Removal	page 16
10. Electronic Data Coverages	pages 16 - 17
a. Electronic Data Damage or Destruction	page 16
b. Electronic Data Loss of Income and Extra Expense	page 17
c. Denial of Service Coverage	page 17
11. Crime Coverage	pages 17 - 21
a. Money & Securities	page 17
b. Forgery or Alteration	page 17
c. Inside the Premises- Theft of Money and Securities	page 18
d. Inside the Premises- Robbery or Safe Burglary of Other Property	page 18
e. Outside the Premises	page 18
f. ERISA Employee Theft	page 18
g. Credit, Debit, or Charge Card Forgery	page 18
h. Money Orders & Counterfeit Money	pages 18 - 19

12. Loss Expense and Protection Coverages	pages	21 - 24
a. Preservation of Property	page	21
b. Preservation of Property – Expense Coverage	page	22
c. Fire Extinguisher & Automatic Extinguishing System Recharge	page	22
d. Claims Expense	page	22
e. Emergency Response Service Charge	page	22
f. Reward Coverage	page	22
g. Contractual Penalties	page	23
h. Conditional Sale, Trust Agreement, Installment or Deferred Payments	page	23
i. Lock Replacement Coverage	page	23
j. Catastrophe Allowance Coverage	page	23
k. Expediting Expense	pages	23
l. Soft Costs	page	23 - 24
m. Temporary Relocation of Property Coverage During Renovation or Remodeling	page	24
13. Equipment Breakdown Coverages	pages	24 - 26
a. Expediting Expenses Additional Coverage	page	24
b. Hazardous Substances Additional Coverage	page	24
c. Perishable Goods Additional Coverage	page	24 - 25
d. CFC Refrigerants Additional Coverage	pages	24 - 25
e. Service Interruptions Additional Coverage	page	25
B. CAUSES OF LOSS (and Exclusions)	pages	27 - 40
1. General Causes of Loss	pages	27 - 33
2. Inland Marine Causes of Loss	pages	33 - 39
3. Outdoor Property Causes of Loss	page	39
4. Cyber Vandalism Causes of Loss	page	39 - 40
C. PROPERTY VALUATION & LOSS PAYMENT	pages	41 - 48
1. Loss Payment	page	41
2. Valuation Methods	pages	41 - 44
a. Replacement Cost	pages	41 - 42
b. Functional Replacement Cost	page	42
c. Stated Value	page	42
d. Actual Cash Value	pages	43
e. Valuable Information Property	page	43
f. Accounts Receivable	page	43
g. Glass	page	43
h. Fine Arts	page	43
i. Tenants Improvements & Betterments	page	43 - 44
j. Money	page	44
k. Securities	page	44
l. Other Property Under Your Crime Coverage	page	44
m. Electronic Data Valuation	page	44
n. Personal Property Sold By You Under a Conditional Sale	page	44
o. Building Glass – Tenant’s Coverage	page	44
3. Personal Property of Others	page	44 - 45
4. When We Will Pay	page	45
5. Recovered Property	page	45
6. Time Element- Loss Determination	page	45
7. Time Element- Resumption of Operations	page	45
8. Coinsurance Option- Building Coverage or Business Personal Property Coverage	page	45 - 46

9. Coinsurance Option- Business Income	page 46 - 47
10. Limits on Loss Payment – Extra Expense Coverage	page 47
11. Lessee's Leasehold Interest Coverage	page 47
12. Party Walls	page 48
D. LIMITS OF INSURANCE	pages 49 - 56
1. Building and Personal Property Limits of Insurance	page 49
2. Building Ordinance Combined B and C Limit of Insurance	page 49
3. Property at Other Locations Limit of Insurance	page 49 - 50
4. Newly Acquired or Constructed Property Limits of Insurance	pages 50
5. Property in Transit Limit of Insurance	page 50
6. Time Element Coverages Limit of Insurance	pages 50 - 52
a. Business Income and/or Extra Expense Limits of Insurance	pages 50 - 51
b. Newly Acquired Property	page 51
c. Optional Property in Transit or Property at Any Other Location	page 51
d. Optional Off Premises Business Income or Extra Expense	pages 51 - 52
e. Business Income or Extra Expense Utility Services Coverage	pages 52
f. Dependent Properties Coverage	pages 52
g. Additional Provision	pages 52
7. Lessee's Leasehold Interest Limit of Insurance	page 52
8. Fine Arts- Unscheduled Items Limit of Insurance	page 53
9. Bucket Limit of Insurance	page 53
10. Fungus, Wet Rot, and Dry Rot Limit of Insurance	page 53 - 54
11. Pollutant Clean Up Limit of Insurance	page 54
12. Debris Removal Limit of Insurance	pages 54
13. Electronic Data Coverages Limits of Insurance	page 54 - 55
14. California Hardware, Media and Electronic Data Earthquake Limit of Insurance	page 55
15. Crime Coverages Limits of Insurance	pages 55 - 56
16. Special Theft Limits of Insurance	page 56
17. Claims Expenses Limit of Insurance	page 56
18. Reward Limit of Insurance	page 56
19. Contractual Penalties Limit of Insurance	page 56
20. Equipment Breakdown Additional Coverages Limit of Insurance	page 56
21. Specific Limits of Insurance	page 56
E. DEDUCTIBLES	page 57
F. CONDITIONS	page 57
G. DEFINITIONS	pages 58 - 64
1. Accident	page 58
2. Accounts Receivable	page 58
3. Communication Supply Services	page 58
4. Covered Equipment	page 58
5. Covered Leasehold Interest	pages 59
6. Denial of Service Attack	page 59
7. Dependent Property	page 59
8. Electronic Data	page 59
9. Employee	page 59
10. Fine Arts	page 59
11. Finished Stock	page 59
12. Fungus	page 59

13. Gross Leasehold Interest	page 60
14. Hardware	page 60
15. Hazardous Substance	page 60
16. Installation Property	page 60
17. Media	page 60
18. Money	page 60
19. Monthly Leasehold Interest	page 60
20. Net Leasehold Interest	page 60 - 61
21. Operations	page 61
22. Outdoor Property	page 61
23. Period of Restoration	page 61
24. Perishable Goods	page 61
25. Pollutants	page 62
26. Power Supply Services	pages 62
27. Prime Lending Rate	pages 62
28. Rental Value	page 62
29. Scientific and Professional Equipment	page 62
30. Securities	page 62
31. Sinkhole Collapse	page 62
32. Specified Causes of Loss	page 62
33. Stock	page 62
34. Suspension	page 62
35. Tools and equipment	page 62 - 63
36. Valuable Information Property	page 63
37. Water Damage	page 63
38. Water Supply Services	page 63
H. CRIME COVERAGE DEFINITIONS	pages 64 - 66
1. Banking premises	page 64
2. Counterfeit money	page 64
3. Custodian	page 64
4. Discover or discovered	page 64
5. Electronic data	pages 64
6. Employee	page 64 - 65
7. Employee benefit plan	page 65
8. Forgery	page 65
9. Manager	page 65
10. Member	page 65
11. Messenger	page 65
12. Money	page 65
13. Occurrence	page 65
14. Other property	page 65
15. Premises	page 65
16. Robbery	page 65
17. Safe Burglary	page 66
18. Securities	page 66
19. Theft	page 66
20. Watchperson	page 66

SPECIAL PROPERTY PLUS COVERAGE FORM

Various provisions in this policy restrict coverage, so you should 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** and Section **H. CRIME COVERAGE DEFINITIONS**.

A. COVERAGES

1. Building Coverage

If a Limit of Insurance shown in the Declarations applies to **Building Coverage**, we will pay for direct physical loss of or damage to Covered Property caused by or resulting from any Covered Cause of Loss per the following:

For this Coverage, Covered Property means the type of property described in this **Building Coverage** section at premises described in the Declarations where a Limit of Insurance is shown to apply to this Coverage.

- a. Building, meaning the building or structure at the premises described in the Declarations, including:
 - (1) Completed additions;
 - (2) Fixtures, including but not limited to outdoor fixtures, fences, exterior lighting fixtures or poles (whether freestanding or attached to the building) and yard fixtures;
 - (3) Permanently installed machinery and equipment, foundations of machinery, tanks and their component parts including all connections thereto which are below the under-surface of the lowest basement floor or, where there is no basement, below the surface of the ground;
 - (4) Glass that is part of a building or structure;
 - (5) All signs attached to or part of a building or structure or otherwise located at or within **1,000 feet** of the premises;
 - (6) Your personal property in apartments or rooms furnished by you as landlord;
 - (7) Personal property owned by you that is used to maintain or service the buildings, structures or the premises, including:
 - (a) Fire extinguishing equipment;
 - (b) Outdoor furniture;
 - (c) Floor coverings;
 - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering; and
 - (e) Building supplies;all while at the premises described in the Declarations.
 - (8) If not covered by other insurance:
 - (a) Additions under construction;
 - (b) Alterations and repairs to buildings or structures; and
 - (c) Materials, equipment, supplies and temporary structures, on or within **1,000 feet** of the described premises, used for making additions, alterations or repairs to the buildings or structures.
 - (9) "Outdoor Property", and
 - (10) Driveways, patios and walks.

Unless otherwise provided in **D. LIMITS OF INSURANCE**, types of property covered by any other Limit of Insurance stated in the Declarations are not covered under the Building Limit of Insurance.

b. Property Not Covered

Unless a specific coverage or exception applies, each of the following types of property is **not** included in Covered Property for: **Building Coverage, Business Personal Property Coverage**, or

any other coverage or coverage extension that applies to property that is Covered Property for **Building Coverage** or to property that is Covered Property for **Business Personal Property Coverage**:

- (1) Land (including land on which the Covered Property is located);
- (2) Water;
- (3) Growing crops;
- (4) The cost of excavations, grading, backfilling or filling;
- (5) Pilings, piers, wharves or docks;
- (6) Retaining walls that are not part of a building described in the Declarations;
- (7) Property more specifically covered under this or another form of this or any other policy, except as provided in the Property Conditions Other Insurance Clause;
- (8) Underground pipes, flues or drains, except as provided under paragraph **a.(3)** under **A. COVERAGES, 1. Building Coverage**;
- (9) Bridges or roadways; or
- (10) Property that is:
 - (a) Acquired in any trust, guardianship or estate for which you are acting in a fiduciary representative capacity; or
 - (b) Acquired by repossession, foreclosure, deed in lieu of foreclosure or as mortgagee in possession;except as specifically endorsed to this policy;
- (11) Automobiles held for sale;
- (12) "Money";
- (13) "Securities";
- (14) Contraband, or property in the course of illegal transportation or trade;
- (15) Vehicles or self-propelled machines (including automobiles, aircraft, or watercraft) that:
 - (a) Are licensed for use on public roads; or
 - (b) 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 only while out of water at the described premises;
- (16) "Electronic data".

c. Newly Acquired or Constructed Property – Your Buildings

- (1) If this policy provides **Building Coverage**, you may extend that insurance to apply to:
 - (a) Your new buildings while being built on or within **1,000 feet** of 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.

(2) Period Of Coverage

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

- (a) This policy expires;
- (b) The **number of days** shown in the Declarations for Newly Acquired or Constructed Property – Building 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.

2. Building Ordinance Coverage

Each **Building Ordinance Coverage – Coverage A, Coverage B and Coverage C** – is provided at described premises for the buildings or structures to which **Building Coverage** applies.

a. Application Of Coverage(s)

The **Building Ordinance Coverages** apply to a loss only if both **a.(1)** and **a.(2)** are satisfied and are then subject to the qualifications set forth in **a.(3)**.

(1) The ordinance or law:

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

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

- (2) (a) The building sustains direct physical damage that is covered under this policy and such damage results in enforcement of the ordinance or law; or
- (b) The building sustains both direct physical damage that is covered under this policy and direct physical damage that is not covered under this policy, and the building damage in its entirety results in enforcement of the ordinance or law.
- (c) But if the building sustains direct physical damage that is not covered under this policy, and such damage is the subject of the ordinance or law, then there is no coverage under this **Building Ordinance Coverage** even if the building has also sustained covered direct physical damage.
- (3) In the situation described in **a.(2)(b)** above, we will not pay the full amount of loss otherwise payable under the terms of **Coverages A, B and/or C** of this **Building Ordinance Coverage**. Instead, we will pay a proportion of such loss; meaning the proportion that the covered direct physical damage bears to the total direct physical damage.

However, if the covered direct physical damage, alone, would have resulted in enforcement of the ordinance or law, then we will pay the full amount of loss otherwise payable under the terms of **Coverages A, B and/or C** of this **Building Ordinance Coverage**.

b. We will not pay under **Coverage A, B or C** of this **Building Ordinance Coverage** for:

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

c. Coverage

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

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

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

(2) Coverage B – Demolition Cost Coverage

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

The Coinsurance Option does not apply to **Demolition Cost Coverage**.

(3) Coverage C – Increased Cost Of Construction Coverage

- (a) With respect to the building that has sustained covered direct physical damage, we will pay the increased cost to:
- (i) Repair or reconstruct damaged portions of that building; and/or
 - (ii) Reconstruct or remodel undamaged portions of that building, whether or not demolition is required;

when the increased cost is a consequence of enforcement of the minimum requirements of the ordinance or law.

However:

- (i) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.
- (ii) We will not pay for the increased cost of construction if the building is not repaired, reconstructed or remodeled
- (iii) We will not pay for increased costs related to tenant improvements and betterments.

The Coinsurance Option does not apply to **Increased Cost of Construction Coverage**.

- (b) When a building is damaged or destroyed and **Coverage C** applies to that building in accordance with (3)(a) above, coverage for the increased cost of construction also applies to repair or reconstruction of the following, subject to the same conditions stated in (3)(a):
- (i) The cost of excavations, grading, backfilling and filling;
 - (ii) Foundation of the building;
 - (iii) Pilings; and
 - (iv) Underground pipes, flues and drains.

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

d. Loss Payment

- (1) The following loss payment Provisions, d.(2) and d.(3), are subject to the apportionment procedures set forth in Section a.(3) of this **Building Ordinance Coverage**.
- (2) When there is a loss in value of an undamaged portion of a building to which **Coverage A** applies, the loss payment for that building, including damaged and undamaged portions, will be determined as follows:
- (a) If Replacement Cost valuation applies and the property is being repaired or replaced, on the same or another premises, we will not pay more than the lesser of:
- (i) The amount you would actually spend to repair, rebuild or reconstruct the building, but not for more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or
 - (ii) The Limit of Insurance shown in the Declarations as applicable to the covered building.
- (b) If Replacement Cost valuation applies and the property is not repaired or replaced, or if the Replacement Cost valuation does not apply, we will not pay more than the lesser of:
- (i) The Actual Cash Value of the building at the time of loss; or
 - (ii) The Limit of Insurance shown in the Declarations as applicable to the covered building.
- (3) The most we will pay, for the total of all covered losses for **Coverage B – Demolition Cost Coverage** and **Coverage C – Increased Cost of Construction Coverage**, is the Combined Limit of Insurance shown for **Coverages B** and **C** in the Declarations. The amount payable under **Coverages B** and **C** is additional insurance. Subject to this Combined Limit of Insurance, the following loss payment provisions apply:
- (a) For **Demolition Cost**, we will not pay more than the amount you actually spend to demolish and clear the site of the described premises.
- (b) With respect to the Increased Cost of Construction:
- (i) We will not pay for the increased cost of construction:

- (A) Until the property is actually repaired or replaced, at the same or another premises; and
- (B) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed **two years**. We may extend this period in writing during the **two years**.
- (ii) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the same premises.
- (iii) If the ordinance or law requires relocation to another premises, the most we will pay for the increased cost of construction is the increased cost of construction at the new premises.
- e. The terms of this **Building Ordinance Coverage** apply separately to each building to which this **Building Ordinance Coverage** applies.
- f. Under this **Building Ordinance Coverage** we will not pay for loss due to any ordinance or law that you, or anyone else with an interest in the **property**:
 - (1) Had a duty to comply with before the loss, even if the building was undamaged; and
 - (2) Failed to comply with.

3. **Business Personal Property Coverage**

If a Limit of Insurance shown in the Declarations applies to **Business Personal Property Coverage**, we will pay for direct physical loss of or damage to Covered Property caused by or resulting from any Covered Cause of Loss per the following:

- a. **Business Personal Property Coverage** applies to Covered Property located on or within **1,000 feet** of premises described in the Declarations where a Limit of Insurance is shown to apply to this Coverage per **3.b.** below.
- b. Under a Business Personal Property Limit of Insurance, Covered Property means the types of personal property described in sub-paragraphs (1) through (17) below, except any type covered by a Specific Limit.

Under a Specific Limit of Insurance applying to one of the types of personal property described in sub-paragraphs (1) through (17) below, Covered Property means only that specific type of personal property.

- (1) Property you own that is used in your business;
- (2) Property of others that is in your care, custody or control;
- (3) Tenant improvements and betterments in or on the buildings at the described premises or in the open (or within a vehicle) within **1,000 feet** of the described premises. Improvements and betterments are fixtures, alterations, installations or additions:
 - (a) Made a part of the building or structure you occupy but do not own;
 - (b) You acquired or made at your expense but cannot legally remove;
- (4) Leased personal property for which you have a contractual responsibility to insure;
- (5) "Hardware" and "Media";
- (6) Personal effects owned by you, your officers, your partners, or members, your managers or your employees;
- (7) "Valuable Information Property";
- (8) "Accounts Receivable";
- (9) "Scientific and Professional Equipment";
- (10) "Stock";
- (11) Personal property sold by you under a conditional sale or trust agreement or any installment or deferred payment plan after delivery to buyers;
- (12) Glass that is not part of a building or structure;
- (13) "Installation property" and "tools and equipment";
- (14) Patterns, Molds and Dies;

- (15) Jewelry;
- (16) Furs; and
- (17) "Fine arts"; and

Unless otherwise provided in Section **D. LIMITS OF INSURANCE**, types of property covered by any other Limit of Insurance stated in the Declarations are not covered by the Business Personal Property Limit of Insurance.

c. Property Not Covered

Under **Business Personal Property Coverage**, Covered Property does **not** include any of the types of property listed as property not covered in paragraph **b. Property Not Covered** under **A. COVERAGES, 1. Building Coverage**.

d. The following Coverage Extensions apply to your Business Personal Property Coverage:

(1) Automatic Seasonal Increase Coverage

We will automatically increase the Limit of Insurance for your Business Personal Property at a designated premises by the lesser of **25%** or the Automatic Seasonal Increase limit of insurance shown in the Declarations in any occurrence to provide for seasonal variations in your business.

This increase will apply only if the Limit of Insurance shown for Business Personal Property in the Declarations is at least **100%** of your average monthly values during the lesser of:

- (a) The **12 months** immediately preceding the date the loss or damage occurs; or
- (b) The period of time you have been in business as of the date the loss or damage occurs.

This is additional insurance.

(2) Brands and Labels Expense Coverage

If branded or labeled merchandise that is Covered Property is damaged by a Covered Cause of loss, and we take all or any part of the property as part of the loss settlement, we will pay your expense on the merchandise we will take to remove brands and labels, to re-label, or to stamp the merchandise to indicate salvage.

This is additional insurance. The policy level, per occurrence Brands and Labels Expense Limit of Insurance is shown in the Declarations.

(3) Food Contamination Coverage

(a) We will pay for:

- (i) Your costs to clean and sanitize your machinery and equipment as described by the "public health authorities"; and
- (ii) Your costs to replace food declared contaminated by the "public health authorities", not to include evaporation, loss of weight or exposure to light.

if "public health authorities" require that your "operations" be suspended due to discovery of, suspicion of, or exposure to "food contamination" at the described premises:

(b) The following Definitions are added:

- (i) "Public health authorities" means the governmental authority having jurisdiction over your "operations" relating to health and hygiene standards necessary to protect the general public.
- (ii) "Food contamination" means a condition in food which has caused or is suspected of causing food poisoning of one or more of your patrons. Such "food contamination" must result from tainted food purchased by you, or from a "communicable disease" transmitted by one or more of your employees.
- (iii) "Communicable disease" is defined as a bacterial micro-organism transmitted through human contact with food.

(c) This is additional insurance. The policy level, per occurrence Food Contamination Limit of Insurance is shown in the Declarations.

(4) Building Glass – Tenant's Coverage

We will pay for direct physical loss of or damage to building glass caused by or resulting from a Covered Cause of Loss, provided that:

- (a) You are a tenant of the building and the building is not otherwise covered under this Coverage; and

- (b) You have a contractual responsibility to insure the building glass or a contractual responsibility to pay for loss or damage to that property.

The value of property covered under this coverage will be determined in accordance with the Valuation Condition applicable under this Coverage Form, 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.

This Coverage Extension is covered in your Business Personal Property Limit of Insurance.

(5) Newly Acquired or Constructed Property – Your Business Personal Property

- (a) If this policy provides **Business Personal Property Coverage**, you may extend that insurance to apply to:
 - (i) Business personal property, including such property that you newly acquire, at, or within **1,000 feet** of, any location you acquire other than at fairs, trade shows or exhibitions;
 - (ii) Business personal property, including such property that you newly acquire, located at your newly constructed or acquired buildings at, or within **1,000 feet** of, the location(s) described in the Declarations; or
 - (iii) Business personal property that you newly acquire, located at, or within **1,000 feet** of, the described premises.
- (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.

(c) Period Of Coverage

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

- (i) This policy expires;
- (ii) The **number of days** shown in the Declarations for Newly Acquired or Constructed Property – Business Personal Property expire after you acquire the property or begin construction of that part of the building that would qualify as covered property; or
- (iii) 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.

4. Property at Other Locations Coverage

We will pay for direct physical loss or damage caused by or resulting from a Covered Cause of Loss to Covered Property which is not in transit, but is located at a premises not listed in the Declarations. The Coverage Territory is worldwide, excluding any country or jurisdiction which is the subject of trade or economic sanctions imposed by the laws or regulations of the United States of America to the extent such sanctions prohibit or limit this insurance.

Covered Property here is the same as:

- a. Covered Property under your **Business Personal Property Coverage** (per paragraphs 3.b. and 3.c. above); and
- b. Personal property that is Covered Property under your **Building Coverage** (per paragraphs 1.a. and 1.b. above).

This **Property at Other Locations Coverage** does not apply to property within **1,000 feet** of a scheduled location or to property in transit.

This **Property at Other Locations Coverage** does not apply to Covered Property removed from the described premises under your **Temporary Relocation of Property During Renovation or Remodeling Coverage**.

5. Property in Transit Coverage

We will pay for direct physical loss or damage caused by or resulting from a Covered Cause of Loss to Covered Property while in transit between points within the Coverage Territory.

a. Covered Property here is the same as:

- (1) Covered Property under your **Business Personal Property Coverage** (per paragraphs 3.b. and 3.c. above); and.
- (2) Personal property that is Covered Property under your **Building Coverage** (per paragraphs 1.a. and 1.b. above).

b. This **Property in Transit Coverage** does not apply to:

- (1) Property within **1,000 feet** of a scheduled location or to property at other locations;
- (2) Property while waterborne, except while such property is on a regularly scheduled ferry, lighter, or car float operating on inland waterways;
- (3) Property shipped by mail;
- (4) Property of others for which you receive payment for transportation services while acting as a common carrier, broker, loader, consolidator or freight forwarder;
- (5) Import shipments prior to discharge from an aircraft or import vessel or termination of the risk assumed by cargo underwriters;
- (6) Export shipments after either being loaded on aircraft or export vessel or having come under the protection of cargo insurance; and
- (7) The transporting conveyance or intermodal containers.

c. This **Property in Transit Coverage** does not apply to Covered Property being moved from the described premises under your **Loss Expense and Protection Coverages**.

d. Free-On-Board Shipments Coverage Extension

We will extend your **Property in Transit Coverage** to cover your loss on goods you have sold to others and shipped to them at their risk of loss when you cannot collect on the bill of sale because:

- (1) The goods have been damaged in shipment by a Covered Cause of Loss; and
- (2) Your customer has refused or is unable to pay.

Under this coverage extension, we will not cover any loss caused by or resulting from forgery, alteration, the giving or surrendering of checks or money in an exchange or purchase, or accounting or arithmetic errors or omissions.

This extension of coverage is included in your Property in Transit Limit of Insurance.

e. International Air Shipments Coverage Extension

Subject to the policy level, per occurrence International Air Shipments Limit of Insurance shown in the Declarations, we will extend your **Property in Transit Coverage** to pay for direct physical loss or damage to Covered Property caused by or resulting from a Covered Cause of Loss while being shipped internationally by air:

- From inside the Coverage Territory to points worldwide outside the Coverage Territory; or
 - From points worldwide outside the Coverage Territory to inside the Coverage Territory.
- (1) This coverage applies from the delivery of Covered Property at the point of origin shown in the air waybill until it is discharged at the destination shown in the air waybill.
 - (2) This coverage extension does not apply:
 - (a) If you have purchased separate ocean marine insurance which covers any Covered Property being shipped internationally by air.
 - (b) To shipments by mail.
 - (c) To Covered Property while being shipped internationally by air to or from any exhibition, fair or trade show.
 - (d) If you are required to provide a negotiable special cargo policy of insurance to any seller, buyer or bank.
 - (e) To "hardware", or "media".
 - (f) To "fine arts".

(g) To any of the types of property listed as property not covered in paragraph b. **Property Not Covered** under **A. COVERAGES, 1. Building Coverage**.

(3) Sub-paragraph b.(6) of **A.5. Property in Transit Coverage**, does not apply to the coverage provided by this extension of coverage.

(4) This extension of coverage does not apply to loss or damage that is otherwise payable under **A.5. Property in Transit Coverage**.

6. Time Element Coverages

If no Limit of Insurance appears in the Declarations for the coverage described in **6.a. Business Income Coverage** or for the coverage described in **6.c. Extra Expense Coverage**, this provision, **6. Time Element Coverages**, does not apply.

a. Business Income Coverage

(1) If a Limit of Insurance shown in the Declarations applies to **Business Income Coverage**, 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".

(a) The "suspension" must be caused by direct physical loss of or damage to:

- (i) Property at premises described in the Declarations where a Business Income Limit of Insurance or a Business Income and Extra Expense Limit of Insurance is shown to apply;
- (ii) Alterations or additions to existing buildings or structures at those described premises;
- (iii) Your new buildings while being built on or within **1,000 feet** of those described premises;
- (iv) Machinery, equipment, supplies or building materials located on or within **1,000 feet** of those described premises while used in (ii) or (iii) above, but not including "installation property" and/or "tools and equipment"; or
- (v) Business personal property in the open or in a vehicle within **1,000 feet** of those described premises.

(b) The direct physical loss or damage must be caused by or result from a Covered Cause of Loss as follows:

- (i) If the damaged property is Covered Property under your **A.1. Building Coverage** or your **A.3. Business Personal Property Coverage**, then the same Causes of Loss that apply to the property under those Coverages and under the loss circumstances apply to the **Business Income Coverage**.
- (ii) If the damaged property is **not** Covered Property under your **A.1. Building Coverage** or your **A.3. Business Personal Property Coverage**, then the General Causes of Loss apply to the **Business Income Coverage**.

(2) If you occupy only part of the site at which the described premises are located, your premises means:

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

(3) Newly Acquired Locations

You may extend your **A.6.a. Business Income Coverage** to apply to:

(a) 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; or

(b) Business personal property at any location you acquire other than at fairs, trade shows or exhibitions.

Coverage for each newly acquired location will end when any of the following first occurs:

- (a) This policy expires;
- (b) The **number of days** shown in the Declarations for Newly Acquired Location Business Income or Extra Expense expire after you acquire the building; or
- (c) You report values to us.

(4) Optional Property in Transit or Property at Any Other Location

You may add coverage to extend your **A.6.a. Business Income Coverage** to apply to a "suspension" caused by direct physical loss of or damage to:

- (a) Your Business Personal Property while in transit; and/or
- (b) Your Business Personal Property at any other location.

The loss or damage must be caused by or result from a Covered Cause of Loss as described in paragraph **a.(1)(b)** above.

These coverage extensions only apply if applicable limits of insurance are shown in the Declarations.

(5) Optional Off Premises Business Income Coverage

You may add coverage to extend your **A.6.a. Business Income Coverage** to apply to a "suspension" caused by direct physical loss of or damage to property which you own or which is in your care, custody or control anywhere else in the Coverage Territory.

The loss or damage must be caused by or result from a Covered Cause of Loss as described in paragraph **a.(1)(b)** above.

This coverage extension only applies if a limit of insurance for **Optional Off Premises Business Income** is shown in the Declarations.

(6) As used in the A.6. Time Element Coverages, the term 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.

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

- (a) Business Income Including Rental Value;
- (b) Business Income Other Than Rental Value; or
- (c) Rental Value Only.

If option **(7)(a)** above is selected, the term Business Income will include "rental value".

If option **(7)(b)** above is selected, the term Business Income will not include "rental value".

If option **(7)(c)** above is selected, the term Business Income will mean "rental value" only.

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

b. Extended Period of Indemnity Coverage

(1) Business Income Other than "Rental Value"

At a described premises where **A.6.a. Business Income Coverage** applies and a Limit of Insurance shown in the Declarations applies to the Business Income Other Than "Rental Value" option or to the Business Income Including "Rental Value" option, 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) **90 consecutive days** after the date determined in **(1)(a)** above. However, if an **Extended Period of Indemnity Term** is shown in the Declarations, the number **90** in this section **(ii)** is replaced by the number shown in the Declarations for **Extended Period of Indemnity Term**.

However, **Extended Period of Indemnity Coverage** 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 a Covered Cause of Loss as follows:

- (a) If the damaged property is Covered Property under your **A.1. Building Coverage** or your **A.3. Business Personal Property Coverage**, then the same Causes of Loss that apply to the property under those Coverages and under the loss circumstances apply to the **Business Income Coverage** and the **Extended Period of Indemnity Coverage**.
- (b) If the damaged property is **not** Covered Property under your **A.1. Building Coverage** or your **A.3. Business Personal Property Coverage**, then the General Causes of Loss apply to the **Business Income Coverage** and the **Extended Period of Indemnity Coverage**.

(2) "Rental Value"

At a described premises where **A.6.a. Business Income Coverage** applies and a Limit of Insurance shown in the Declarations applies to the "Rental Value" option or to the Business Income Including "Rental Value" option, 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) **90 consecutive days** after the date determined in (2)(a) above. However, if an **Extended Period of Indemnity Term** is shown in the Declarations, the number **90** in this section (ii) is replaced by the number shown in the Declarations for **Extended Period of Indemnity Term**.

However, **Extended Period of Indemnity** 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 a Covered Cause of Loss as follows:

- (a) If the damaged property is Covered Property under your **A.1. Building Coverage** or your **A.3. Business Personal Property Coverage**, then the same Causes of Loss that apply to the property under those Coverages and under the loss circumstances apply to the **Business Income Coverage** and the **Extended Period of Indemnity Coverage**.
- (b) If the damaged property is **not** Covered Property under your **A.1. Building Coverage** or your **A.3. Business Personal Property Coverage**, then the General Causes of Loss apply to the **Business Income Coverage** and the **Extended Period of Indemnity Coverage**.

(3) Extended Period of Indemnity does not apply to:

- A.6.d. Business Income or Extra Expense Utility Services Coverage;**
- A.6.e. Dependent Properties Coverage;**
- A.6.f. Civil Authority Coverage;**
- A.6.g. Lessor's Lease Cancellation Coverage;**
- A.6.h. Lessor's Tenant Relocation Expense; or**
- D.10.b. Business Income and Extra Expense Fungus, Wet Rot and Dry Rot**, except as provided under the **Limited Coverage for Fungus, Wet Rot and Dry Rot**.

c. Extra Expense Coverage

- (1) If a Limit of Insurance shown in the Declarations applies to **Extra Expense Coverage**, we will pay the actual and necessary Extra Expense you sustain due to direct physical loss or damage by a Covered Cause of Loss to:
 - (a) Property at premises described in the Declarations where one or more of the following limits is shown to apply:
 - (i) An Extra Expense Limit of Insurance;
 - (ii) A Business Income Limit of Insurance; or
 - (iii) A Business Income and Extra Expense Limit of Insurance;
 - (b) Alterations or additions to existing buildings or structures at those described premises;
 - (c) Your new buildings while being built on or within **1,000 feet** of those described premises;

- (d) Machinery, equipment, supplies or building materials located on or within **1,000 feet** of those described premises while used in (1)(b) or (1)(c), but not including "installation property" and/or "tools and equipment";
- (e) Business personal property in the open or in a vehicle within **1,000 feet** of those described premises.

(2) Extra Expense – Extra Expense means necessary expenses you incur:

- During the "period of restoration"; and
- If **A.6.a. Business Income Coverage** also applies at that described premises, during the Extended Period of Indemnity applicable to **A.6.b. Extended Period of Indemnity Coverage**;

that you would not have incurred if there had been no direct physical loss or damage to property. Coverage pertains to expenses (other than the expense to repair or replace property) which are incurred to:

- (a) Avoid or minimize the "suspension" of business and to continue "operations":
 - (i) At the described premises; or
 - (ii) At replacement premises or at temporary locations, including relocation expenses, and costs to equip and operate the replacement location or temporary location.
- (b) Minimize the "suspension" of business if you cannot continue "operations".

We will also pay Extra Expense to repair or replace property, or to research, replace or restore the lost information on damaged "valuable information property", but only to the extent it reduces the amount of loss that otherwise would have been payable under your **A.6.c. Extra Expense Coverage**, or under your **A.6.a. Business Income Coverage**, if applicable.

(3) Covered Cause of Loss – The direct physical loss or damage must be caused by or result from a Covered Cause of Loss:

- (a) If the damaged property is Covered Property under your **A.1. Building Coverage** or your **A.3. Business Personal Property Coverage**, then the same Causes of Loss that apply to the property under those Coverages and under the loss circumstances apply to the **Extra Expense Coverage**.
- (b) If the damaged property is **not** Covered Property under your **A.1. Building Coverage** or your **A.3. Business Personal Property Coverage**, then the General Causes of Loss apply to the **Extra Expense Coverage**.

(4) If you occupy only part of the site at which the described premises are located, your premises means:

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

(5) Newly Acquired Locations

You may extend your **A.6.c. Extra Expense Coverage** to apply to:

- (a) 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; or
- (b) Business personal property at any location you acquire other than at fairs, trade shows or exhibitions.

Coverage for each newly acquired location will end when any of the following first occurs:

- (a) This policy expires;
- (b) The number of days shown in the Declarations for Newly Acquired Property Business Income expire after you acquire the building; or
- (c) You report values to us.

(6) Optional Property in Transit or Property at Any Other Location

You may add coverage to extend your **A.6.c. Extra Expense Coverage** to apply to Extra Expenses incurred by direct physical loss of or damage to:

- (a) Your Business Personal Property while in transit; and/or

(b) Your Business Personal Property at any other location.

The loss or damage must be caused by or result from a Covered Cause of Loss as described in paragraph c.(3) above.

These coverage extensions apply if applicable limits of insurance are shown in the Declarations.

(7) Optional Off Premises Extra Expense Coverage

You may add coverage to extend your **A.6.c. Extra Expense Coverage** to apply to Extra Expenses incurred by direct physical loss of or damage to property which you own or which is in your care, custody or control anywhere else in the Coverage Territory.

The loss or damage must be caused by or result from a Covered Cause of Loss as described in paragraph c.(3) above.

This coverage extension applies if a limit of insurance for **Optional Off Premises Business Income** is shown in the Declarations.

(8) Your **A.6.c. Extra Expense Coverage** does not apply to expenses incurred in the Extended Period of Indemnity 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.

d. Business Income or Extra Expense Utility Services Coverage

(1) Your **A.6.a. Business Income Coverage**, where applicable; and/or your **A.6.c. Extra Expense Coverage**, where applicable; are/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:

- (a) "Water supply services";
- (b) "Communication supply services"; or
- (c) "Power supply services".

The shutdown or unavailability of utility machinery or equipment during a blackout or other interruption of utility service is not direct physical loss or damage.

(2) We will not pay for Business Income loss or Extra Expense caused by damage to or destruction of:

- (a) Off-premises:
 - (i) Power transmission lines;
 - (ii) Utility poles;
 - (iii) Supporting structures; and/or
- (b) Overhead:
 - (i) Communication;
 - (ii) Transmission; and
 - (iii) Distribution equipment.

(3) We will pay only for that part of a Business Income loss which occurs after a Waiting Period following damage or destruction. If a Waiting Period is not specified for this coverage in the Declarations, the Waiting Period for Business Income under this coverage is the greater of:

- (a) The number of hours in the Waiting Period applicable to your **A.6.a. Business Income Coverage**; or
- (b) **24 hours**.

No coverage is provided for the Waiting Period.

(4) We will not pay for such Business Income loss or Extra Expense if the disruption of service is due to your failure to comply with the terms and conditions of any contract.

(5) This coverage 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".

e. Dependent Properties Coverage

(1) If (1)(a) and (1)(b) below apply:

- (a) Coverage under **A.6. a. Business Income Coverage** is applicable to your policy; and
- (b) A Limit of Insurance is shown in the Declarations for **Dependent Properties Coverage**;

we will extend your **A.6.a. Business Income Coverage** to 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 "dependent property" caused by or resulting from a Covered Cause of Loss.

(2) If (2)(a) and (2)(b) below apply:

(a) Coverage under **A.6. c. Extra Expense Coverage** is applicable to your policy; and

(b) A Limit of Insurance is shown in the Declarations for **Dependent Properties Coverage**;

we will extend your **A.6.c. Extra Expense Coverage** to pay for the necessary Extra Expense you incur due to direct physical loss of or damage to property at the premises of a "dependent property" caused by or resulting from a Covered Cause of Loss. 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 the premises of the "dependent property" caused by or resulting from a Covered Cause of Loss to avoid or minimize the "suspension" of business and to continue in "operations", or to minimize the "suspension" of business if you cannot continue "operations".

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

(4) For Loss of Business Income or Extra Expense arising out of Contributing Locations and Recipient Locations covered under your **Dependent Properties Coverage** the coverage territory is worldwide, excluding any country or jurisdiction which is the subject of trade or economic sanctions imposed by the laws or regulations of the United States of America to the extent such sanctions prohibit or limit this insurance.

(5) The following is added to provision **9. Time Element – Resumption of Operations** in Section **C. PROPERTY VALUATION AND LOSS PAYMENT**:

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

(a) Source of materials; or

(b) Outlet for your products.

f. Civil Authority Coverage

(1) When a Covered Cause of Loss causes damage to property other than property at a premises described in the Declarations:

- Where **A.6.a. Business Income Coverage** applies to your policy, we will pay for the actual loss of Business Income you sustain; and
- Where **A.6.c. Extra Expense Coverage** applies to your policy, we will pay for necessary Extra Expense you incur;

caused by action of civil authority that prohibits access to the described premises, provided that both of the following apply:

(a) 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 radius** from the damaged property; and

(b) 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.

(2) Your **A.6.f. 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. The **72 hour** period is the Waiting Period for this coverage. For a location where a Civil Authority Waiting Period is shown in the Declarations, the number of hours shown for that Waiting Period applies in place of the **72 hour** period.

No coverage is provided for the Waiting Period.

(3) Your **A.6.f. 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:

- (a) **Four consecutive weeks** after the date of that action; or
- (b) When your **A.6.f. Civil Authority Coverage** for Business Income ends; whichever is later.

- (4) If a **Civil Authority Coverage Period** is shown in the Declarations, it replaces the **four consecutive week** period stated above.
- (5) If a **Civil Authority Radius** is shown in the Declarations, it replaces the **one mile radius** stated above.

g. Lessor's Lease Cancellation Coverage

- (1) At a described premises where **A.6.a. Business Income Coverage** applies to your policy, in the event that your tenants cancel their leases in covered Building property due to untenability caused by direct physical loss or damage by a Covered Cause of Loss, we will pay in any one occurrence up to the Lessor's Lease Cancellation Coverage Limit of Insurance shown in the Declarations at each described premises to cover the loss of rental income that you would have received from those leases in the period after tenantability is restored. This Limit of Insurance is in addition to any other Limit of Insurance that may be provided by this policy for coverage of such losses, but we will not pay more in total from all coverages than the loss of rental income that you would have received from those leases during this period.

(2) Income Not Covered

We will not pay for the following:

- (a) Prepaid rent;
- (b) Security and other deposits made by tenants;
- (c) Insurance, taxes or other payments you made on behalf of the tenants; and
- (d) The normal expiration date of the cancelled leases.

(3) Time Limitation

We will only pay for loss of rental income that you sustain after tenantability is restored and until the earlier of:

- (a) The date you lease the premises to another tenant;
- (b) **12 months** immediately following the "period of restoration".

h. Lessor's Tenant Relocation Expense Coverage

- (1) At a described premises where **A.6.a. Business Income Coverage** applies to your policy, in the event that your tenants must temporarily vacate the covered Building property due to untenability caused by direct physical loss or damage by a Covered Cause of Loss, we will pay in any one occurrence up to the Lessor's Tenant Relocation Expense Coverage Limit of Insurance shown in the Declarations to cover expenses you incur to move those tenants out of and back into your covered Building. Coverage only applies to costs incurred by you, and not to costs incurred by your tenants.

(2) Covered Expenses

We will only pay for the following expenses:

- (a) Packing, transporting and unpacking the tenant's Business Personal Property including the cost of insuring the moves out of and back into your covered Building including any necessary disassembly and re-assembly or setup of furniture and equipment, and
- (b) The net cost to discontinue and re-establish the tenants' utility and telephone services, after any refunds due the tenants.

(3) Time Limitation

We will only pay for Covered Expenses that you incur within **60 days** of the date that the damaged building has been repaired or rebuilt.

i. Additional Conditions

- (1) If the damaged property is "electronic data" covered under your **A.10. Electronic Data Coverages**, then the same Causes of Loss that apply to that property under those **Electronic Data Coverages** and under the loss circumstances will also apply to the **Electronic Data Business Income or Extra Expense Coverage**.
- (2) Coverages provided under **A.6. Time Element Coverages** do not apply to any loss otherwise covered only under **A.11. Crime Coverages**.

7. Lessee's Leasehold Interest Coverage

Where **Lessee's Leasehold Interest Coverage** is shown in the Declarations, we will pay for loss of "Covered Leasehold Interest" you sustain as lessee due to the cancellation of your lease. The cancellation must result from direct physical loss of or damage to property at premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

We will not pay for any loss caused by:

- a. Your canceling the lease;
- b. The suspension, lapse or cancellation of any license; or
- c. Any other consequential loss.

8. Limited Coverage for Fungus, Wet Rot, and Dry Rot

- a. This **Limited Coverage for "Fungus", Wet Rot, and Dry Rot** applies only when the "fungus", wet or dry rot is the result of one or more of the following causes that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.

- (1) A "specified cause of loss" other than fire or lightning; or
- (2) Flood, if the coverage for Flood otherwise applies to the affected premises.

- b. We will pay for loss or damage by "fungus", wet or dry rot at a premises described in the Declarations. As used in this Limited Coverage, the term loss or damage means:

- (1) Direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot, including the cost of removal of the "fungus", wet or dry rot or;
- (2) 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; and
- (3) 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 are present.

9. Pollutant Clean Up and Debris Removal Coverages

a. 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 when the Covered Cause of Loss occurs.

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

b. Debris Removal

- (1) We will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within **180 days** of the date of direct physical loss or damage:
- (2) This Coverage does not apply to costs to:
 - (a) Extract "pollutants" from land or water; or
 - (b) Remove, restore or replace polluted land or water.

10. Electronic Data Coverages

a. Electronic Data Damage or Destruction

We will pay the cost to replace or restore "electronic data" which has been destroyed or corrupted by a cause of loss from:

- (1) **Cyber Vandalism Causes of Loss – Non-Employee Enactment or Introduction;**
- (2) **Cyber Vandalism Causes of Loss – Employee Enactment or Introduction; or**
- (3) **Inland Marine Causes of Loss.**

b. Electronic Data Loss of Income and Extra Expense

We will pay for the actual loss of income and extra expense you sustain when a "suspension" of "operations" results from destroyed or corrupted "electronic data" caused by a cause of loss from:

- (1) Cyber Vandalism Causes of Loss – Non-Employee Enactment or Introduction;**
- (2) Cyber Vandalism Causes of Loss – Employee Enactment or Introduction; or**
- (3) Inland Marine Causes of Loss.**

Loss of income and extra expense under **10.b.** will be measured in accordance with the **Time Element Coverages A.6.a. Business Income Coverage** and **A.6.c. Extra Expense Coverage**.

c. Denial of Service Coverage

We will pay for the actual loss of income you sustain when the "suspension" of "operations" is caused by a "denial of service attack". This coverage does not apply to:

- (1) Loss otherwise covered by the Cyber Vandalism Causes of Loss;**
- (2) Loss caused by or resulting from governmental action;**
- (3) Nuclear hazard;**
- (4) War and military action.**

Loss of income under **10.c.** will be measured in accordance with the **Time Element Coverage A.6.a. Business Income Coverage**.

11. Crime Coverages

- a. Insuring Agreements** – Coverage is provided under the following Insuring Agreements, described in **a.(1)** through **a.(8)** below, for which a Limit of Insurance is shown in the Declarations and applies to loss that you sustain resulting directly from an "occurrence":

- (i) Taking place during the Policy Period shown in the Declarations, except as provided in:**
 - (A) Commercial Crime Condition 1.k., Loss Sustained During Prior Insurance Issued By Us Or Any Affiliate; or**
 - (B) Commercial Crime Condition 1.l., Loss Sustained During Prior Insurance Not Issued By Us Or Any Affiliate;**
- (ii) Which is "discovered" by you:**
 - (A) During the Policy Period shown in the Declarations; or**
 - (B) During the period of time provided in the Commercial Crime Condition 1.g., Extended Period To Discover Loss.**

(1) Employee Theft

We will pay for loss of or damage to "money", "securities" and "other property" resulting directly from "theft" committed by an "employee", whether identified or not, acting alone or in collusion with other persons.

For the purposes of this Insuring Agreement, "theft" shall also include forgery.

(2) Forgery Or Alteration

- (a)** We will pay for loss resulting directly from "forgery" or alteration of checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are:

- (i) Made or drawn by or drawn upon you; or**
 - (ii) Made or drawn by one acting as your agent;**
- or that are purported to have been so made or drawn.

For the purposes of this Insuring Agreement, a substitute check as defined in the Check Clearing for the 21st Century Act shall be treated the same as the original it replaced.

- (b)** If you are sued for refusing to pay any instrument covered in paragraph **(2)(a)**, on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur and pay in that defense. The amount that we will pay is in addition to the Limit of Insurance applicable to this Insuring Agreement.

(3) Inside The Premises – Theft Of Money And Securities

- (a) We will pay for loss of "money" and "securities" inside the "premises" or "banking premises":
 - (i) Resulting directly from "theft" committed by a person present inside such "premises" or "banking premises"; or
 - (ii) Resulting directly from disappearance or destruction.
- (b) We will pay for loss from damage to the "premises" or its exterior resulting directly from an actual or attempted "theft" of "money" and "securities", if you are the owner of the "premises" or are liable for damage to it.
- (c) We will pay for loss of or damage to a locked safe, vault, cash register, cash box or cash drawer located inside the "premises" resulting directly from an actual or attempted "theft" of or unlawful entry into those containers.

(4) Inside The Premises – Robbery Or Safe Burglary Of Other Property

- (a) We will pay for loss of or damage to "other property":
 - (i) Inside the "premises" resulting directly from an actual or attempted "robbery" of a "custodian"; or
 - (ii) Inside the "premises" in a safe or vault resulting directly from an actual or attempted "safe burglary".
- (b) We will pay for loss from damage to the "premises" or its exterior resulting directly from an actual or attempted "robbery" or "safe burglary" of "other property", if you are the owner of the "premises" or are liable for damage to it.
- (c) We will pay for loss of or damage to a locked safe or vault located inside the "premises" resulting directly from an actual or attempted "robbery" or "safe burglary".

(5) Outside The Premises

- (a) We will pay for loss of "money" and "securities" outside the "premises" in the care and custody of a "messenger" or an armored motor vehicle company resulting directly from "theft", disappearance or destruction.
- (b) We will pay for loss of or damage to "other property" outside the "premises" in the care and custody of a "messenger" or an armored motor vehicle company resulting directly from an actual or attempted "robbery".

(6) ERISA Employee Theft Coverage

ERISA – EMPLOYEE THEFT DOES NOT PROVIDE FIDUCIARY LIABILITY INSURANCE

- (a) **Insuring Agreement a.(1) Employee Theft** is extended, in accordance with Commercial Crime Condition 1.f. **Employee Benefit Plans**, to include along with you as a Named Insured under Employee Theft Coverage any "Employee Benefit Plan" subject to the Employee Retirement Income Security Act of 1974 (ERISA); owned, controlled or operated by you which you provide solely for the benefit of your "employees".
- (b) A separate limit of insurance applies to this coverage; see Section **D. LIMIT OF INSURANCE**.
- (c) If the insured first named in the Declarations is an entity other than a Plan, any payment we make to that entity for loss sustained by any Plan will be held by that entity for the use and benefit of the Plan(s) sustaining the loss.

(7) Credit, Debit Or Charge Card Forgery

The Insuring Agreement **a.(2) Forgery Or Alteration** is extended to include, as Covered Instruments, written instruments required in conjunction with any credit, debit or charge card issued to you or any "employee" for business purposes.

The most we will pay in any one "occurrence" is the Credit, Debit or Charge Card Forgery Limit of Insurance shown in the Declarations. This limit is part of the limit that applies to Forgery Or Alteration; it is not an additional amount of insurance.

(8) Money Orders And Counterfeit Money

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

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

b. Limit Of Insurance

The most we will pay for all loss resulting directly from an "occurrence" is the applicable Limit of Insurance shown in the Declarations.

If any loss is covered under more than one Insuring Agreement or Coverage, the most we will pay for such loss shall not exceed the largest Limit of Insurance available under any one of those Insuring Agreements or Coverages.

c. Deductible

We will not pay for loss resulting directly from an "occurrence" unless the amount of loss exceeds the Deductible Amount shown in the Declarations. We will then pay the amount of loss in excess of the Deductible Amount, up to the Limit of Insurance.

d. Exclusions

(1) This insurance does not cover:

(a) Acts Committed By You, Your Partners Or Your Members

Loss resulting from "theft" or any other dishonest act committed by:

- (i) You; or
- (ii) Any of your partners or "members";

whether acting alone or in collusion with other persons.

(b) Acts Of Employees Learned Of By You Prior To The Policy Period

Loss caused by an "employee" if the "employee" had also committed "theft" or any other dishonest act prior to the effective date of this insurance and you or any of your partners, "members", "managers", officers, directors or trustees, not in collusion with the "employee", learned of that "theft" or dishonest act prior to the Policy Period shown in the Declarations.

(c) Acts Of Employees, Managers, Directors, Trustees Or Representatives

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;

except when covered under **Insuring Agreement a.(1) Employee Theft.**

(d) Confidential Information

Loss resulting from:

- (i) The unauthorized disclosure of your confidential information including, but not limited to, patents, trade secrets, processing methods or customer lists; or
- (ii) The unauthorized use or disclosure of confidential information of another person or entity which is held by you including, but not limited to, financial information, personal information, credit card information or similar non-public information.

(e) Governmental Action

Loss resulting from seizure or destruction of property by order of governmental authority.

(f) Indirect Loss

Loss that is an indirect result of an "occurrence" covered by this insurance including, but not limited to, loss resulting from:

- (i) Your inability to realize income that you would have realized had there been no loss of or damage to "money", "securities" or "other property".
- (ii) Payment of damages of any type for which you are legally liable. But, we will pay compensatory damages arising directly from a loss covered under this insurance.
- (iii) Payment of costs, fees or other expenses you incur in establishing either the existence or the amount of loss under this insurance.

(g) Legal Fees, Costs And Expenses

Fees, costs and expenses incurred by you which are related to any legal action, except when covered under **Insuring Agreement a.(2) Forgery or Alteration.**

(h) Nuclear Hazard

Loss or damage resulting from nuclear reaction or radiation, or radioactive contamination, however caused.

(i) Pollution

Loss or damage caused by or resulting from pollution. Pollution means the discharge, dispersal, seepage, migration, release or escape of 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.

(j) War And Military Action

Loss or damage resulting from:

(i) War, including undeclared or civil war;

(ii) 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

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

(k) Cyber Vandalism

Loss or damage from 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, also including, but not limited to, when the enactment or introduction was the result of an action, intentional or not:

(i) By any "employee", including a temporary or leased "employee", or

(ii) By an entity retained by you or for you to inspect, design, install, maintain, repair or replace that system.

(l) Denial of Service Attack

Loss or damage resulting from a "denial of service attack".

(2) Insuring Agreement a.(1) Employee Theft does not cover:

(a) Inventory Shortages

Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

(i) An inventory computation; or

(ii) A profit and loss computation.

However, where you establish wholly apart from such computations that you have sustained a loss, then you may offer your inventory records and actual physical count of inventory in support of the amount of loss claimed.

(b) Trading

Loss resulting from trading, whether in your name or in a genuine or fictitious account.

(c) Warehouse Receipts

Loss resulting from the fraudulent or dishonest signing, issuing, canceling or failing to cancel, a warehouse receipt or any papers connected with it.

(3) Insuring Agreement a.(3) Inside The Premises – Theft of Money And Securities, Insuring Agreement a.(4) Inside The Premises – Robbery Or Safe Burglary Of Other Property, and Insuring Agreement a.(5) Outside The Premises do not cover:

(a) Accounting Or Arithmetical Errors Or Omissions

Loss resulting from accounting or arithmetical errors or omissions.

(b) Exchanges Or Purchases

Loss resulting from the giving or surrendering of property in any exchange or purchase.

(c) Fire

Loss or damage resulting from fire, however caused, except:

- (i) Loss of or damage to "money" and "securities"; and
- (ii) Loss from damage to a safe or vault.

(d) Money Operated Devices

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.

(e) Motor Vehicles Or Equipment And Accessories

Loss of or damage to motor vehicles, trailers or semi-trailers or equipment and accessories attached to them.

(f) Transfer Or Surrender Of Property

- (i) Loss of or damage to property after it has been transferred or surrendered to a person or place outside the "premises" or "banking premises":

- (A) On the basis of unauthorized instructions;
- (B) As a result of a threat to do bodily harm to any person;
- (C) As a result of a threat to do damage to any property;
- (D) As a result of a threat to introduce a denial of service attack into your computer system;
- (E) As a result of a threat to introduce a virus or other malicious instruction into your computer system which is designed to damage, destroy or corrupt data or computer programs stored within your computer system;
- (F) As a result of a threat to contaminate, pollute or render substandard your products or goods; or
- (G) As a result of a threat to disseminate, divulge or utilize:
 - (aa) Your confidential information; or
 - (bb) Weaknesses in the source code within your computer system.

- (ii) But, this Exclusion does not apply under **Insuring Agreement a.(5) Outside The Premises** to loss of "money", "securities" or "other property" while outside the "premises" in the care and custody of a "messenger" if you:

- (A) Had no knowledge of any threat at the time the conveyance began; or
- (B) Had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.

(g) Vandalism

Loss from damage to the "premises" or its exterior, or to any safe, vault, cash register, cash box, cash drawer or "other property" by vandalism or malicious mischief.

(h) Voluntary Parting Of Title To Or Possession Of Property

Loss resulting from your, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title to or possession of any property.

- (4) Insuring Agreement a.(2) Forgery Or Alteration and Insuring Agreement a.(7) Credit, Debit Or Charge Card Forgery** do not cover:

NON-COMPLIANCE WITH CREDIT, DEBIT OR CHARGE CARD ISSUER'S REQUIREMENTS

Loss arising from any credit, debit or charge card if you have not complied fully with the provisions, conditions or other terms under which the card was issued.

12. Loss Expense and Protection Coverages

a. Preservation of Property Coverage

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

- (1)** While it is being moved to or while temporarily stored at another location; and
- (2)** Only if loss or damage occurs within **90 days** after the property is first moved.

b. Preservation of Property – Expense Coverage

If it is necessary to move Covered Property from the described premises to preserve it from further loss or damage by a Covered Cause of Loss, we will pay the actual expense to move the property to safety.

We will also pay any necessary rental fees for the temporary storage at premises of others for the period of days shown in the Declarations after the property is first moved.

This is additional insurance. The applicable policy level, per occurrence limit of insurance is shown in the Declarations.

c. Fire Extinguisher and Automatic Extinguishing System Recharge Coverage

We will pay your expenses for recharge of:

- (1) Your hand-held fire extinguishers; or
- (2) An automatic extinguishing system.

d. Claims Expenses Coverage

- (1) We will pay all reasonable claims expenses you incur arising out of a covered loss or damage.

This includes reasonable architect, engineering and consulting fees that you incur in the course of repairing or reconstructing damaged property resulting from an occurrence covered by this policy.

- (2) The claims expenses must be incurred to assist us in:

- (a) The investigation of a claim or suit;
- (b) The determination of the amount of loss; or
- (c) The determination of the extent of direct physical loss or damage to building or business personal property.

- (3) We will not pay for:

- (a) Expenses to prove that loss or damage is covered;
- (b) Expenses incurred under the **Appraisal** section of **Property Conditions**;
- (c) Expenses incurred under your **Crime Coverages** in establishing either the existence or the amount of loss under this insurance.
- (d) Expenses incurred for examinations under oath, even if required by us; or
- (e) Expenses incurred for public adjusters or legal fees.

e. Emergency Response Service Charge Coverage

When the fire department or other municipal agency responsible for preserving the public safety is called to save or protect Covered Property from a Covered Cause of Loss, we will pay for the fire department or other municipal agency service charges assumed by contract or agreement prior to loss, or required by local ordinance.

f. Reward Coverage

We will make available to a law enforcement agency with proper jurisdiction an amount to be used through reward or other means to acquire information leading to the possible conviction of a person or persons responsible for a fire, theft, robbery or explosion loss that is covered under this Coverage Form. Such funds will remain in our possession until actually needed for immediate distribution by the law enforcement agency. All claims for payment under this Coverage must be made by the law enforcement agency to us within **one year** of the date of loss, unless another time is mutually agreed to by the law enforcement agency and us. Such claims must be accompanied by a statement indicating to whom the law enforcement agency will make payment, the information anticipated, and the person(s) who may be charged with the crime. In no event will we make any payment under this Coverage either directly to you or to anyone other than a law enforcement agency with proper jurisdiction. We will not fund any payment to anyone who directed, participated in, committed or caused to be committed the fire, theft, robbery or explosion in question nor to anyone who provides or obtains information as part of their regular duties of employment either by the insured or a law enforcement or fire department agency. However, within the provisions of this Coverage, we will reimburse the agencies themselves for extraordinary expenses related to obtaining information regarding a fire, theft, robbery or explosion covered under this Coverage Form. We will make no payment under this Coverage in excess of twice the loss payment we make for direct damage to property.

g. Contractual Penalties Coverage

We will pay for contractual penalties you incur if you cannot meet your written contractual obligations because of a direct loss or damage to Covered Property by a Covered Cause of Loss. Such contract must be written and must have been executed prior to the date of the loss. This Coverage does not apply to loss or damage to:

- (1) A building or structure under construction; or
- (2) Property you are installing for a customer.

h. Conditional Sale, Trust Agreement, Installment or Deferred Payments Coverage

We insure, subject to policy terms and conditions, your interest in lost or damaged personal property sold by you under a conditional sale or trust agreement or any installment or deferred payment plan after delivery to buyers.

i. Lock Replacement Coverage

We will pay the cost to repair or replace the door locks or tumblers for such door locks at any premises described in the Declarations due to the theft of your door keys.

This is additional insurance. The policy level, per occurrence limit of insurance is shown in the Declarations. No deductible applies to this Coverage.

j. Catastrophe Allowance Coverage

We will pay under this **Catastrophe Allowance Coverage** only if Property Claims Services publicly designates a catastrophe number to the insured event that causes direct physical loss or damage (e.g. hurricanes, blizzards, hailstorms).

The insurance provided by this Coverage Form may be extended if the applicable limits of insurance are insufficient to compensate you for covered direct physical loss or damage that you incur as a result of an occurrence publicly designated as a numbered catastrophe event by the Property Claims Services organization.

This **Catastrophe Allowance Coverage** may not be used to cover any loss that would not otherwise be covered by this policy.

This **Catastrophe Allowance Coverage** may not be used to cover the deductible amount of any coverage provided by this or any other policy.

This is additional insurance. The limit of insurance applicable to this **Catastrophe Allowance Coverage** is shown in the Declarations. This limit applies to the sum of all covered losses occurring during each separate **12 month** period of this policy. Each separate **12 month** period of this policy starts on the policy inception or anniversary date.

k. Expediting Expense Coverage

We will pay the reasonable costs you incur to expedite repairs to Covered Property which has been damaged by a Covered Cause of Loss. This includes payment of overtime wages and the extra cost of express or other rapid means of transportation.

We will not pay under this coverage for loss or expense insured elsewhere under this policy.

We will not pay for such costs or expenses caused by the interference of strikers in the rebuilding, repairing, or replacing of the Covered Property at the location of loss, nor caused by the suspension, lapse, or cancellation of any license, lease, or contract.

This is additional insurance. The policy level, per occurrence limit of insurance is shown in the Declarations.

l. Soft Costs Coverage

(1) We will pay the actual soft costs that you incur because of direct physical loss or damage by a Covered Cause of Loss to:

- (a) Covered Property listed in paragraphs **A.1.a.(8)**; or
- (b) While covered under paragraph **A.1.c.**, your new buildings being built on the described premises.

(2) We will pay only those soft costs:

- (a) That are over and above your normal expenditures; and
- (b) That are incurred during the period of time:

- (i) That begins on the date loss occurs; and
 - (ii) Ends **one year** after the date on which the construction, repairs, or replacement would be scheduled for completion.
- (3) We will only pay soft costs:
 - (a) If the Replacement Cost valuation applies, and
 - (b) You repair or replace the damaged property.
- (4) Normal expenditures are expenses that would have been incurred by your operation had no loss or damage occurred.
- (5) Soft cost means:
 - (a) Realty taxes and other assessments attributed to the increased property values that result directly from construction or repair costs associated with loss or damage by a Covered Cause of Loss;
 - (b) Increased interest and fees necessitated by the operation of a mortgage acceleration clause; and
 - (c) Advertising and promotional expenses.
- (6) This is additional insurance. The policy level, per occurrence limit of insurance is shown in the Declarations.

m. Temporary Relocation of Property Coverage During Renovation or Remodeling

We will pay for loss or damage to Covered Property that is removed from a premises described in the Declarations and stored temporarily at a location you do not own, lease or operate while the described premises is being renovated or remodeled.

The loss or damage must be caused by a Covered Cause of Loss applicable to that Covered Property.

This coverage applies during a storage period of up to **90 consecutive days** starting from the date the property is removed from the described premises but not beyond the expiration of this policy.

The limit of insurance applicable to any one occurrence at each temporary location is shown in the Declarations. The insurance that applies to this additional coverage is included in the Limit of Insurance that applies to the Covered Property at the premises described in the Declarations. This is not additional insurance.

This coverage will not apply if the stored property is more specifically insured.

13. Equipment Breakdown Coverages

- a. **Equipment Breakdown Coverage** – We will pay for loss of or damage to property that is Covered Property under your **Building Coverage** or your **Business Personal Property Coverage** caused by or resulting from an "accident" to "covered equipment" and for resulting loss under your **Time Element Coverages**.
- b. **Equipment Breakdown Additional Coverages** – The following **Equipment Breakdown Additional Coverages** also apply to loss caused by or resulting from an "accident" to "covered equipment":

(1) Expediting Expenses Additional Coverage

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

- (a) Make temporary repairs; and
- (b) Expedite permanent repairs or permanent replacement.

(2) Hazardous Substances Additional Coverage

We will pay for the additional cost to repair or replace Covered Property because of contamination by a "hazardous substance". This includes the additional costs to clean up or dispose of such property.

Additional costs mean those beyond what would have been required had no "hazardous substance" been involved.

(3) Perishable Goods Additional Coverage

We will pay for:

- (a) Your loss of "perishable goods" due to spoilage;
- (b) Your loss of "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. We will pay for such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.

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 Section **C. the Property Valuation and Loss Payment** of this Coverage Form.

We will not pay for loss or damage as a result of your failure to use all reasonable means to protect the "perishable goods" from damage following an "accident" to "covered equipment".

(4) CFC Refrigerants Additional Coverage

We will pay for the additional cost to repair or replace Covered Property because of the use or presence of a refrigerant containing CFC (chlorofluorocarbon) substances. This means the additional cost to do the least expensive of the following:

- (a) Repair the damaged property and replace any lost CFC refrigerant;
- (b) Repair the damaged property, retrofit the system to accept a non-CFC refrigerant and charge the system with a non-CFC refrigerant; or
- (c) Replace the system with one using a non-CFC refrigerant.

Additional costs mean those beyond what would have been required had no CFC refrigerant been involved.

(5) Service Interruption Additional Coverage

The insurance provided for "perishable goods" is extended to loss caused by or resulting from an "accident" to equipment that is owned by a utility, landlord, landlord's utility or other supplier who provides you with any of the following services: electrical power, communications, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water or steam. The equipment must meet the definition of "covered equipment" except that it is not Covered Property.

c. Equipment Breakdown Coverages – Additional Terms

- (1) All exclusions under Section **B. CAUSES OF LOSS** of this Coverage Form that apply to the General Causes of Loss and the Inland Marine Causes of Loss apply to the **Equipment Breakdown Coverage** and the **Equipment Breakdown Additional Coverages** except where the exclusion contains a specific exception for an "accident" to "covered equipment".
- (2) We will not pay under the **Equipment Breakdown Coverage** or the **Equipment Breakdown Additional Coverages** for loss or damage caused by or resulting from:
 - (a) Any of the following tests:
 - (i) A hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel; or
 - (ii) An insulation breakdown test of any type of electrical equipment; or
 - (b) Any defect, programming error, programming limitation, computer virus, malicious code, loss of "electronic data", loss of access, loss of use, loss of functionality, or other condition within or involving "electronic data" or "media" of any kind. But, if an "accident" to "covered equipment" results, we will pay for the resulting loss, damage or expense.
- (3) We will not pay under the **Equipment Breakdown Coverage** or the **Equipment Breakdown Additional Coverages** for any loss or damage to animals.

d. Equipment Breakdown Coverages – Additional Conditions

(1) Suspension

When any "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". We can do this by mailing or delivering a written notice of suspension to your address as shown in the Declarations, or at the address where the "covered equipment" is located. Once suspended in this way, your insurance can be reinstated only by an endorsement for that "covered equipment". If we suspend your insurance, you will get a pro-rata refund of premium for that "covered equipment" for the period of suspension. But the suspension will be effective even if we have not yet made or offered a refund.

(2) Jurisdictional Inspections

If any property that is "covered equipment" under this coverage requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf. We do not warrant that conditions are safe or healthful.

(3) Environmental, Safety And Efficiency Improvements

If "covered equipment" requires replacement due to an "accident", we will pay your additional cost to replace with equipment that is better for the environment, safer or more efficient than the equipment being replaced. However, we will not pay more than **125%** of what the cost would have been to replace with like kind and quality. This condition does not increase any of the applicable limits. This condition does not apply to any property to which Actual Cash Value applies.

B. CAUSES OF LOSS

In Section **A. COVERAGES**, **A.1. Building Coverage**, **A.3. Business Personal Property Coverage**, and **A.6 Time Element Coverages**, as well as certain other references in your policy, refer to Covered Causes of Loss. This section of your policy will tell you, for specific Coverages and types of property, what causes of loss are covered, what causes are excluded, and whether there are any special limitations on your Coverage.

Refer to the Declarations to see if any of the Causes of Loss assigned in this section are amended.

These Causes of Loss do not apply to your **Crime Coverages**, **Equipment Breakdown Coverages**, and **Denial of Service Coverage**. Refer to the respective sections under **A. COVERAGE** for information as to the types of loss covered for them.

All exclusions that apply to the General Causes of Loss and the Inland Marine Causes of Loss apply to your **Equipment Breakdown Coverages** except where certain exclusions contain a specific exception for an "accident" to "covered equipment".

Your **Loss Expense and Protection Coverages** are Coverages that provide additional or supplemental payments in the event of another covered loss under the Coverage Form. To the extent that a Covered Cause of Loss is required to trigger the primary loss, Causes of Loss can influence your **Loss Expense and Protection Coverage**.

There are four defined types of Causes of Loss in your policy: the General Causes of Loss; the Inland Marine Causes of Loss; and the Outdoor Property Causes of Loss; and the Cyber Vandalism Causes of Loss. If a Coverage makes reference to a Covered Cause of Loss, it means a cause of loss that would be covered under your policy for the type of property that has been lost or damaged.

1. General Causes of Loss

a. Unless otherwise shown in the Declarations, General Causes of Loss apply:

(1) To all **Building Coverage**, except Coverage for:

- (a) Signs; and
- (b) "Outdoor property".

(2) To all **Business Personal Property Coverage** and **Property at Other Locations Coverage**, except Coverage for:

- (a) "Hardware", and "media";
- (b) "Scientific and professional equipment";
- (c) "Fine arts";
- (d) Patterns, molds and dies;
- (e) "Valuable information property";
- (f) "Accounts receivable"; and
- (g) "Installation property" and "tools and equipment".

(3) To none of the **Electronic Data Coverages**.

(4) To all **Time Element Coverages**, except where the damaged or lost property is covered by the Inland Marine Causes of Loss or the Cyber Vandalism Causes of Loss.

(5) To all **Loss Expense and Protection Coverages**, except where the damaged or lost property is covered by the Inland Marine Causes of Loss or the Cyber Vandalism Causes of Loss.

(6) To all **Pollutant Clean Up and Debris Removal Coverages**, except where the damaged or lost property is covered by the Inland Marine Causes of Loss or the Cyber Vandalism Causes of Loss.

(7) To any other Coverage where no Cause of Loss type is specified in this section.

b. Under General Causes of Loss, we will pay for direct physical loss of or damage to property, unless excluded below.

(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) Earth Movement

- (i) Earthquake, including any earth sinking, rising or shifting related to such event;
- (ii) Landslide, including any earth sinking, rising or shifting related to such event;

- (iii) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;
- (iv) 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 (a)(i) through (iv) above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

- (v) 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.

All volcanic eruptions that occur within any **168-hour** period will constitute a single occurrence.

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

(b) 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.

However, this exclusion will not apply to your **Civil Authority Coverage**.

Seizure by order of governmental authority also includes loss due to a mandated or voluntary recall initiated on the recommendation of a governmental agency or other governmental authority.

(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 loss or damage caused by that fire.

(d) 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 related to Internet access or access to any electronic, cellular or satellite network.

This exclusion does not apply to losses under your **Business Income or Extra Expense Utility Services Coverage**.

(e) War and Military Action

- (i) War, including declared, undeclared or civil war;
- (ii) 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
- (iii) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

(f) Water

- (i) Flood, 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);
- (ii) Mudslide or mudflow;
- (iii) Material carried or otherwise moved by any of the types of water, mudslide or mudflow excluded by this Water exclusion.

This exclusion applies regardless of whether any of the types of water, mudslide or mudflow, or material excluded by this Water exclusion is caused by an act of nature or is otherwise caused.

But, if any of the types of water, mudslide or mudflow, or material excluded by this Water exclusion, 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).

However, if electrical "covered equipment" requires drying out because of any of the types of water, mudslide or mudflow excluded by this Water exclusion, we will pay for the direct expenses of such drying out subject to the applicable limit and deductible.

(g) Ordinance or Law

The enforcement of any ordinance or law:

- (i) Regulating the construction, use, or repair of any property; or
- (ii) 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.

This exclusion does not apply to the extent that coverage is provided by your **Building Ordinance Coverage**.

This exclusion does not apply to the extent that coverage is provided by your **Lessee's Leasehold Interest Coverage**.

(h) Fungus, Wet Rot, and Dry Rot

The presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot.

But if "fungus", wet or dry rot results from 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:

- (i) When "fungus", wet or dry rot results from fire or lightning; or
- (ii) To the extent that coverage is provided in the **Limited Coverage for Fungus, Wet Rot, and Dry Rot** in this Coverage Form and then only with respect to loss or damage by a cause of loss other than fire or lightning.

(i) Seepage or Leakage of Water

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

(j) Cyber Vandalism

Loss or damage from 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, also including, but not limited to, when the enactment or introduction was the result of an action, intentional or not:

- (i) By any "employee", including a temporary or leased "employee", or
- (ii) By an entity retained by you or for you to inspect, design, install, maintain, repair or replace that system.

(k) Denial of Service Attack

Loss or damage resulting from a "denial of service attack".

Paragraphs **B.1.b.(1)(a)** through **B.1.b.(1)(k)** 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) Electrical Apparatus

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

- (i) Electrical or electronic wire, device, appliance, system or network; or
- (ii) 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 or explosion results, we will pay for the loss or damage caused by fire or explosion.

This exclusion does not apply to loss or damage arising out of an "accident" to "covered equipment".

(b) Consequential Loss

Delay, loss of use, or loss of market, or any other consequential loss.

(c) Smoke, Vapor, Gas

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

(d) Steam Apparatus

Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control. This exclusion does not apply to loss or damage caused by or arising out of an "accident" to "covered equipment". Also, if explosion of steam boilers, steam pipes, steam engines or steam turbines results in fire or combustion explosion, we will pay for the loss or damage caused by that fire or combustion explosion. We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.

(e) Frozen Plumbing

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

- (i) There is evidence that you have taken steps to maintain heat and to prevent freezing in the building or structure; or
- (ii) You drain the equipment and shut off the supply if the heat is not maintained.

(f) Dishonesty

Dishonest or criminal acts by you, any of your partners, "members", officers, "managers", "employees", directors, trustees, authorized representatives or anyone (except carriers for hire) to whom you entrust the property for any purpose:

- (i) Acting alone or in collusion with others; or
- (ii) Whether or not occurring during the hours of employment.

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

(g) Exposed Property

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

(h) Collapse

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

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

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

- (ii) This exclusion (h) **Collapse** does not apply:

- (A) To the extent that coverage is provided under provisions (h)(iv), (h)(v), and (h)(vi) below; or
- (B) To collapse caused by one or more of the following:
 - (aa) The "specified causes of loss"; or
 - (bb) Breakage of building glass.

- (iii) For the purpose of provisions (h)(iv), (h)(v), and (h)(vi) below, 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.

Provisions (h)(iv), (h)(v), and (h)(vi) below do 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.
- (D) 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.

- (iv) We will pay for direct physical loss or damage to Covered Property, caused by an 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, but only if such abrupt collapse is caused by a Covered Cause of Loss. The following are included in the Covered Causes of Loss with respect to an abrupt collapse as covered in (h)(iv), (h)(v), and (h)(vi):

- (A) Weight of rain that collects on a roof; and
- (B) Weight of people or personal property.

(v) We will pay for direct loss or damage to Covered Property of the types listed in (h)(v)(A) through (h)(v)(K) below, caused by an abrupt collapse of a building or any part of a building that is insured under this Coverage Form but only if such abrupt collapse is caused by a Covered Cause of Loss:

(A) Outdoor radio or television antennas (including satellite dishes) and their lead-in wiring;

(B) Masts or towers;

(C) Awnings;

(D) Gutters and downspouts;

(E) Yard fixtures;

(F) Outdoor swimming pools;

(G) Fences;

(H) Piers, wharves and docks;

(I) Beach or diving platforms or appurtenances;

(J) Retaining walls; and

(K) Walks, roadways and other paved surfaces;

(vi) We will pay for direct physical loss or damage to Covered Property that:

- Is personal property inside a building; and
- Is not a type of property listed in (h)(v)(A) through (h)(v)(K);

if caused by an abrupt collapse of such personal property that is not the result of abrupt collapse of a building or any part of a building, but only if such abrupt collapse is caused by a Covered Cause of Loss. However, this coverage does not apply if marring and/or scratching is the only damage to that personal property caused by the collapse.

(i) Pollutants

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, (i), does not apply to damage to glass caused by chemicals applied to the glass.

(j) Other Causes of Loss

(i) Wear and tear;

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

(iii) Smog;

(iv) Settling, cracking, shrinking or expansion;

(v) Insects, birds, rodents or other animals;

(vi) Mechanical breakdown, including rupture or bursting caused by centrifugal force. However, this does not apply to any loss or damage caused by elevator collision. This exclusion also does not apply to loss or damage caused by or arising out of an "accident" to "covered equipment".

But, if an excluded cause of loss that is listed in (j)(i) through (j)(vi) results in a "specified cause of loss", an "accident" to "covered equipment", or building glass breakage, we will pay for the loss or damage caused by that "specified cause of loss," "accident" to "covered equipment" or building glass breakage.

(k) Mistakes

Errors in the development, distribution, processing, manufacturing, testing, installation, alteration or repair of property.

This exclusion does not apply to any ensuing loss or damage by a Covered Cause of Loss.

(l) Errors in System Programming

Errors in system programming or errors in instructions to a machine.

This exclusion does not apply to any ensuing loss or damage by a Covered Cause of Loss.

(m) Mysterious Disappearance

Disappearance or shortage disclosed on taking inventory, where there is no physical evidence to show what happened.

This exclusion does not apply to any ensuing loss or damage by a Covered Cause of Loss, nor does it apply to losses covered under your "money" and "securities" **Crime Coverage**.

(n) False Pretense

Voluntary parting with any Covered 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.

(o) 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.

(p) Willful Acts

Any willful act intended to cause a loss committed by you or anyone else at your direction.

(q) Virus or Bacteria

(i) Any virus, bacterium or other microorganism 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 Form.

(ii) With respect to any loss or damage subject to the exclusion in paragraph (q)(i) above, such exclusion supersedes any exclusion relating to "pollutants".

(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

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

(b) Acts or Decisions

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

(c) Faulty Work

Faulty, inadequate, defective or negligent:

(i) Planning, zoning, development, surveying, siting;

(ii) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;

(iii) Materials used in repair, construction, renovation or remodeling; or

(iv) Maintenance;

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

(4) We will not pay for:

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

(i) 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

(ii) 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" as provided

in **A.6.a. Business Income Coverage** and any extension of the "period of restoration" in accordance with the terms of **A.6.b. Extended Period of Indemnity Coverage**.

(b) Any other consequential loss.

2. Inland Marine Causes of Loss

a. Unless otherwise shown in the Declarations, Inland Marine Causes of Loss apply to the following Coverages:

(1) Under your **Building Coverage**, to coverage for outdoor signs.

(2) Under your **Business Personal Property Coverage** and your **Property at Other Locations Coverage**, to coverage for:

(a) "Hardware" and "media";

(b) "Scientific and professional equipment";

(c) "Fine arts";

(d) "Valuable information property";

(e) "Accounts receivable";

(f) "Installation property" and "tools and equipment"; and

(g) Patterns, molds and dies.

(3) Property in Transit.

(4) Under your **Time Element Coverages**, only where the damaged or lost property is described in item (1) through (3) above.

(5) Under your **Loss Expense and Protection Coverages**, only where the damaged or lost property is described in item (1) or (2) above.

(6) Under **Pollution Clean Up and Debris Removal Coverages**, only where the damaged or lost property is described in item (1) or (2) above.

(7) Under your **Electronic Data Coverages**, to "electronic data" under the Coverages for:

(a) Electronic Data Damage or Destruction From Inland Marine Causes of Loss; and

(b) Electronic Data Loss of Income and Extra Expense From Inland Marine Causes of Loss.

b. Under Inland Marine Causes of Loss, we will pay for direct physical loss of or damage to property, unless excluded below.

(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.

However, this exclusion will not apply to your **Civil Authority Coverage**.

Seizure by order of governmental authority also includes loss due to a mandated or voluntary recall initiated on the recommendation of a governmental agency or other governmental authority.

(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 loss or damage caused by that fire.

(c) War and Military Action

(i) War, including undeclared or civil war;

(ii) 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

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

(d) Ordinance or Law

The enforcement of any ordinance or law:

(i) Regulating the construction, use, or repair of any property; or

(ii) 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.

This exclusion does not apply to the extent that coverage is provided by your **Building Ordinance Coverage**.

This exclusion does not apply to the extent that coverage is provided by your **Lessee's Leasehold Interest Coverage**.

(e) Pollutants

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, (e), does not apply to damage to glass caused by chemicals applied to the glass.

(f) Fungus, Wet Rot, and Dry Rot

The presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot.

But if "fungus", wet or dry rot results from 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:

(i) When "fungus", wet or dry rot results from fire or lightning; or

(ii) To the extent that coverage is provided in the **Limited Coverage for "Fungus", Wet Rot, and Dry Rot** in this Coverage Form and then only with respect to loss or damage by a cause of loss other than fire or lightning.

(g) Seepage or Leakage of Water

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

(h) Cyber Vandalism

Loss or damage from 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, also including, but not limited to, when the enactment or introduction was the result of an action, intentional or not:

(i) By any "employee", including a temporary or leased "employee", or

(ii) By an entity retained by you or for you to inspect, design, install, maintain, repair or replace that system.

(i) Denial of Service Attack

Loss or damage resulting from a "denial of service attack".

Exclusions **2.b.(1)(a)** through **2.b.(1)(i)** 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) Dishonesty

Dishonest or criminal acts by you, any of your partners, "members", officers, "managers", "employees", directors, trustees, authorized representatives or anyone (except carriers for hire) to whom you entrust the property for any purpose:

- (i) Acting alone or in collusion with others; or
- (ii) Whether or not occurring during the hours of employment.

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

(b) Other Causes of Loss

- (i) Wear and tear;
- (ii) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (iii) Mechanical breakdown, including rupture or bursting caused by centrifugal force.
But, this exclusion (iii) does not apply to an "accident" to "covered equipment", or to "hardware", "media" or, as covered under the **Electronic Data Coverages**, to "electronic data";

But if an excluded cause of loss that is listed in (b)(i) through (b)(iii) results in a "specified cause of loss", or an "accident" to "covered equipment", we will pay for the loss or damage caused by that "specified cause of loss", or an "accident" to "covered equipment".

(c) Mistakes

Errors in the development, distribution, processing, manufacturing, testing, installation, alteration or repair of property.

However, this exclusion does not apply to:

- (i) Any ensuing loss or damage by a Covered Cause of Loss; or
- (ii) "Accounts receivable", "valuable information property" or "fine arts".

(d) Errors in System Programming

Errors in system programming or errors in instructions to a machine.

This exclusion does not apply to any ensuing loss or damage by a Covered Cause of Loss.

(e) Breakage and Leakage

Breakage, leakage, chipping, denting or bending, or by being spotted, discolored, rusted, frosted or steamed unless caused by fire, lightning, windstorm, hail, explosion or collision, riot and/or civil commotion, derailment or overturning of vehicle while on land or collision or crashing of aircraft while in flight, or by ferry, transfer or lighter being stranded, sunk or in collision while waterborne.

(f) Willful Acts

Any willful act intended to cause a loss committed by you or anyone else at your direction.

(g) 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.

(h) Theft of Personal Effects or Salesmen's Samples

We will not pay for loss or damage arising out of theft:

- (i) To property in the care, custody or control of a salesman from an unattended vehicle unless all compartments, doors, windows and other openings are closed and, where locks are available, locked; or
- (ii) Of personal effects.

(i) Virus or Bacteria

- (i) Any virus, bacterium or other microorganism 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 Form.

- (ii) With respect to any loss or damage subject to the exclusion in paragraph (i)(i) above, such exclusion supersedes any exclusion relating to "pollutants".

(j) Consequential Loss

Delay, loss of use, or loss of market, or any other consequential loss.

(3) We will not pay for:

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

- (i) 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

- (ii) "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" as provided in **A.6.a. Business Income Coverage** and any extension of the "period of restoration" in accordance with the terms of **A.6.b. Extended Period of Indemnity Coverage**.

- (b)** Any other consequential loss.

(4) Accounts Receivable and Valuable Information Property Exclusions

The following additional exclusions apply to "accounts receivable" and "valuable information property":

- (a)** We will not pay for loss or damage caused by or arising from:

- (i) Electrical or magnetic injury, disturbance or erasure of electronic recordings;

- (ii) Programming errors or faulty machine instructions;

- (iii) Faulty installation or maintenance of data processing equipment or component parts;

- (iv) An occurrence that took place more than **1,000 feet** from your premises; or

- (v) Interruption of electrical power supply, power surge, blackout or brownout if the cause of such occurrence took place more than **1,000 feet** from your premises.

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

- (b)** We will not pay for loss or damage caused by or resulting from any of the following:

(i) Weather Conditions

But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in paragraph **B.2.b.(1)** above to produce the loss or damage.

(ii) Acts or Decisions

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

(iii) Faulty Work

Faulty, inadequate, defective, or negligent:

- (A)** Planning, zoning, development, surveying, siting;

- (B)** Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;

- (C)** Materials used in repair, construction, renovation or remodeling; or

- (D)** Maintenance;

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

But if an excluded Cause of Loss that is listed above results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

(c) Applicable to "valuable information property" only:

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

(i) Errors or omissions in processing or copying. But if errors or omissions in processing or copying results in fire or explosion, we will pay for the direct loss or damage caused by that fire or explosion.

(ii) Wear and tear, gradual deterioration or latent defect.

(d) Applicable to "accounts receivable" only:

We will not pay for:

(i) Loss or damage caused by or resulting from alteration, falsification, concealment or destruction of records of "accounts receivable" done to conceal the wrongful giving, taking or withholding of "money", "securities" or other property. This exclusion applies only to the extent of the wrongful giving, taking or withholding;

(ii) Loss or damage caused by or resulting from bookkeeping, accounting or billing errors or omissions;

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

(5) Fine Arts Exclusion

The following additional exclusion applies to "fine arts":

We will not pay for loss or damage caused by repair, restoration or retouching.

(6) Installation, Property and Tools and Equipment Exclusions

The following additional exclusions apply to "installation property" and "tools and equipment":

We will not pay for loss or damage arising out of:

(a) Overloading

The weight of a load exceeding the manufacturer's rated lifting capacity of the machine under the operating conditions at the time of loss.

(b) Testing

Testing, but we will pay for direct loss caused by resulting fire or explosion.

(c) Replacement of Defective Materials

The cost to make good or replace faulty or defective materials or workmanship.

(d) Faulty Design

A fault, defect, deficiency, error or omission in a plan, blueprint, design or specification.

(e) Mysterious Disappearance

Unexplained disappearance or shortage found upon taking inventory.

(f) Electrical Apparatus

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

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

(ii) 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 or explosion results, we will pay for the loss or damage caused by fire or explosion.

This exclusion does not apply to loss or damage arising out of an "accident" to "covered equipment".

(7) Property in Transit Exclusions

The following additional exclusions apply to Property in Transit:

(a) We will not pay for loss or damage caused by or resulting from any of the following:

- (i)** Leakage, evaporation, shrinkage, loss of weight, dampness, cold or heat;
- (ii)** Contamination;
- (iii)** Change in color, odor, texture or finish;
- (iv)** Denting, chipping, bending or twisting; or
- (v)** Application of scent, rust, rot or other change in flavor.

However, we will pay when such loss or damage is the direct result of the "specified causes of loss", malicious mischief, theft, flood, earthquake or accident to transporting conveyance.

(b) We will not pay for loss or damage to live animals, birds or fish.

However, we will pay when such loss or damage is the direct result of the "specified causes of loss", malicious mischief, theft, flood, earthquake or accident to transporting conveyance.

3. Outdoor Property Causes of Loss

Unless otherwise shown in the Declarations, Outdoor Property Causes of Loss apply only to "outdoor property".

Under your **Business Income Coverage** and **Extra Expense Coverages**, Outdoor Property Causes of Loss apply only where the damaged or lost property is "outdoor property" or other property to which Outdoor Property Causes of Loss apply in the Declarations.

Under your **Loss Expense and Protection Coverages** Outdoor Property Causes of Loss apply only where the damaged or lost property is "outdoor property" or other property to which Outdoor Property Causes of Loss apply in the Declarations.

Under **Pollutant Clean Up and Debris Removal Coverages**, Outdoor Property Causes of Loss apply only where the damaged or lost property is "outdoor property" or other property to which Outdoor Property Causes of Loss apply in the Declarations.

Under Outdoor Property Causes of Loss, we will pay for direct physical loss of or damage to property caused by or resulting from:

- a.** Fire;
- b.** Lightning;
- c.** Explosion;
- d.** Riot or Civil Commotion;
- e.** Aircraft;
- f.** Vehicles which you do not own, operate or lease;

4. Cyber Vandalism Causes of Loss

a. Non-Employee Enactment or Introduction

Under **Cyber Vandalism Causes of Loss – Non-Employee Enactment or Introduction**:

(1) We will pay for loss caused by 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.

(2) However, there is no coverage when the enactment or introduction was solely the result of an action, intentional or not:

- (a)** By any "employee", including a temporary or leased "employee"; or
- (b)** By an entity retained by you or for you to inspect, design, install, maintain, repair or replace that system.

b. Employee Enactment or Introduction

Under **Cyber Vandalism Causes of Loss – Employee Enactment or Introduction**:

- (1) We will pay for loss caused by 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.
- (2) However, there is coverage only when the enactment or introduction was solely the result of an action, intentional or not:
 - (a) By any "employee", including a temporary or leased "employee"; or
 - (b) By an entity retained by you or for you to inspect, design, install, maintain, repair or replace that system.

C. PROPERTY VALUATION AND LOSS PAYMENT

1. In the event of loss or damage covered by this policy, at our option we will either:
 - a. Pay the value of lost or damaged property;
 - b. Pay the cost of repairing or replacing the lost or damaged property;
 - c. Take all or any part of the property at an agreed value or, if an agreed value cannot be reached, appraised value; or
 - d. Repair, rebuild or replace the lost or damaged property with other property of like kind and quality.

In regard to **1.b.** and **1.d.** above, the cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

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 will not pay more than the least of the following amounts:
 - a. The Limit of Insurance under this policy that applies to the loss;
 - b. The value of the lost or damaged property; or
 - c. The amount that you actually spend that is necessary to repair or replace the lost or damaged property at:
 - (1) The same location; or
 - (2) Another location;for the same use and occupancy. This item **c.** does not apply to losses subject to the Transit Limit of Insurance or the Other Location Limit of Insurance.
4. We will determine the value of your property based on one of the following methods:

a. Replacement Cost

- (1) Replacement Cost means the cost to repair, rebuild, or replace the lost or damaged property with other property:
 - (a) Of comparable material and quality;
 - (b) Used for the same purpose; and
 - (c) Without a deduction for depreciation.
- (2) The following types of property will be adjusted based on their Replacement Cost:
 - (a) Buildings and structures, unless more specifically addressed on the Declarations or below;
 - (b) Business personal property, unless more specifically addressed on the Declarations or below.
- (3) We will not pay on a Replacement Cost basis for any loss or damage until the lost or damaged property is actually repaired or replaced. You may make a claim on an Actual Cash Value basis for loss or damage covered by this insurance on a Replacement Cost basis. In the event you elect to have loss or damage settled on an Actual Cash Value basis, you may still make a claim on a Replacement Cost basis if:
 - (a) The lost or damaged property is actually repaired or replaced; and
 - (b) You notify us to do so within **180 days** after the date of loss or damage or some other reasonable period on which we agree in writing.
- (4) Replacement Cost valuation of your Business Personal Property includes the cost of:
 - (a) Replacing labels, capsules, wrappers or containers from the damaged business personal property; or
 - (b) Identifying and reconditioning damaged business personal property.
- (5) In the event of damage to "stock" you have two options when:
 - (a) You do not want to sell your damaged "stock" under your brand or label; or
 - (b) The owner of any damaged "stock" in your care, custody or control does not want to sell that damaged "stock" under the owner's brand or label even though the damaged stock has salvage value.

You may:

- (a) Remove the brand or label and then re-label the damaged "stock" to comply with any applicable law; or
- (b) Label the damaged "stock" as SALVAGE, but, in doing so, cause no further damage to the "stock".

In either case, the business personal property valuation will include the difference between:

- (a) The salvage value of the damaged "stock" with the brand or label attached; and
 - (b) The salvage of the damaged "stock" with the brand or label removed.
- (6) We will determine the value of all "finished stock" at the regular cash selling price, less all discounts and charges to which such "finished stock" would have been subject had no loss occurred. However, "finished stock" does not include loss of business income resulting from the damage to or destruction of such stock.
- (7) Replacement Cost of your "stock" will include the reduction in value of the "stock" due to consequential damage. Consequential damage means that a part or parts of your product that are physically lost or damaged by a Covered Cause of Loss causes the part or parts that are not unmarketable as a complete product.
- (8) Replacement Cost of a building or structure includes the necessary cost to tear out and replace any part of the building or structure to repair damage to a system or appliance caused by a covered loss in which water or other liquid, powder or molten material escapes.
- Replacement Cost does not include the cost to repair any defect that caused the loss or damage, but we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage:
- (a) Results in discharge of any substance from an automatic fire protection system; or
 - (b) Is directly caused by freezing.
- (9) In case of loss to any pair or set we may:
- (a) Repair or replace any part to restore the pair or set to its value before the loss; or
 - (b) Pay the difference between the value of the pair or set before and after the loss.

b. Functional Replacement Cost

- (1) Functional Replacement Cost means the cost to repair or replace property with available property that most closely duplicates the function of the damaged or replaced property at time of loss. The replacement property may perform additional functions if it is the available property that most closely duplicates the function of the damaged or replaced property.
- (2) Unless a different valuation basis is shown in the Declarations, the following property will be adjusted based on its Functional Replacement Cost:
 - (a) Buildings and structures, but only if the building or structure is identified as having Functional Replacement Cost apply in the Declarations;
 - (b) "Hardware" and "media";
 - (c) "Scientific and professional equipment"; and
 - (d) Other Business Personal Property, but only if that business personal property is identified as having Functional Replacement Cost apply in the Declarations.

c. Stated Value

- (1) Stated Value means that in a total loss we will pay the amount stated in the Declarations for the lost or damaged property.
- (2) For property to be covered on a Stated Value basis it must be specifically identified in the Declarations as having Stated Value apply. The Declarations must indicate Stated Value individually for each item.
- (3) If we determine that there has been a partial loss to property covered on a Stated Value basis, we will pay no more than the proportion that the value of the damaged part bears to the Stated Value in the Declarations.

d. Actual Cash Value

- (1) Actual Cash Value means Replacement Cost, as defined in **a.** above, minus depreciation.
- (2) We will value the following property on an Actual Cash Value basis:
 - (a) Used or second-hand merchandise held in storage or for sale;
 - (b) Manuscripts;
 - (c) Any property that otherwise would be valued on a Replacement Cost basis, but for which repairs or replacements are not made as soon as reasonably possible; and
 - (d) Any other property specifically identified in the Declarations as having Actual Cash Value apply.

e. Valuable Information Property

For any "valuable information property" which is actually replaced or restored, we will determine the value based on the costs at the time of loss of:

- (1) Blank materials for reproducing the "valuable information property", and
- (2) The actual amount spent for labor and other expenses to research, transcribe, copy or rebuild the "valuable information property".

f. Accounts Receivable

- (1) If you cannot accurately establish the amount of "accounts receivable" outstanding as of the time of loss or damage:
 - (a) We will determine the total of the average monthly amounts of "accounts receivable" for the **12 months** immediately preceding the month in which the loss or damage occurs; and
 - (b) We will adjust that total for any normal fluctuations in the amount of "accounts receivable" for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.
- (2) The following will be deducted from the total amount of "accounts receivable," however that amount is established:
 - (a) The amount of the accounts for which there is no loss or damage;
 - (b) The amount of the accounts that you are able to re-establish or collect;
 - (c) An amount to allow for probable bad debts that you are normally unable to collect; and
 - (d) All unearned interest and service charges.

g. Glass

We will pay for all interior and exterior building glass based on the cost of replacement with like kind and quality. We will pay the cost of replacement with safety glazing material if safety glazing is required by law.

h. Fine Arts

Loss or damage to "fine arts" covered by this insurance will be valued at either:

- (1) The cost of repairing the damaged "fine arts", plus any reduction in value of the repaired item; or
- (2) The price which the fine arts might reasonably be expected to realize if offered for sale by a willing seller to a willing buyer in a fair market on the date of loss or damage.

"Fine arts" not owned by you and in your care, custody or control are valued as shown in (1) and (2) above but we will not pay more than the amount for which you are legally liable.

i. Tenant Improvements and Betterments

Unless another valuation method is shown in the Declarations, we will value Tenant Improvements and Betterments as follows:

- (1) Replacement Cost 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.

j. Money

"Money" will be valued based on:

- (1) The face value of United States or Canadian currency if the loss involves United States or Canadian currency; or
- (2) The United States dollar value of a foreign currency based on the free currency rate of exchange in effect on the day any loss involving foreign currency is discovered.

If the loss occurs before "money" has been counted and recorded by you, the value of the "money" will not exceed the amount that is reasonably estimated and satisfactory to us.

k. Securities

"Securities" will be valued up to and including their value at the close of business on the day the loss is discovered. We may, at our option:

- (1) Pay the 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";
- (2) 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:
 - (a) Value of the "securities" at the close of business on the day the loss was discovered; or
 - (b) Applicable Limit of Insurance.

l. Other Property Under Your Crime Coverage

Loss of or damage to "other property" under your **Crime Coverages** will be valued on the same basis as similar property insured under your **Building Coverage** or **Business Personal Property Coverage**.

m. Electronic Data Valuation

To the extent "electronic data" is not replaced, 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.

n. Personal Property Sold By You Under a Conditional Sale or Trust Agreement or Any Installment or Deferred Payment Plan After Delivery to Buyers

Personal property sold by you under a conditional sale or trust agreement or any installment or deferred payment plan after delivery to buyers is valued based on the amount shown on your books as due from the buyer when a total loss occurs. When a partial loss occurs and the buyer refuses to continue payment, forcing you to repossess, deferred payment coverage will be valued as follows:

- (1) If the realized value of the repossessed property is greater than or equal to the amount shown on your books as due from the buyer, we will make no payment; or
- (2) If the realized value of the repossessed property is less than the amount shown on the books as due from the buyer, we will pay the difference.

When a partial loss occurs and the buyer continues to pay you, there will be no loss payment.

o. Building Glass – Tenant's Coverage

The value of property covered under your **Building Glass – Tenant's Coverage** will be determined in accordance with the valuation method applicable to your Business Personal Property, 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.

5. Personal Property of Others

- a. Our payment for loss of or damage to personal property of others will only be for the account of the owners of the property. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- b. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.

- c. Personal property of others is valued on the same basis as your business personal property (subject to any exceptions in this Valuation and Loss Payment section). However, we will not pay more than the amount for which you are legally liable.
- d. Labor, materials and services that you furnish or arrange on personal property of others are valued based on the actual cost of the labor, materials and services.

6. When We Will Pay

We will pay for covered loss or damage within **30 days** after we receive the sworn proof of loss, provided you have complied with all of the terms of this policy, and

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

7. Recovered Property

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

8. Time Element – 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 or Extra Expense that otherwise would have been incurred.

9. Time Element – Resumption of Operations

We will reduce the amount of your:

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

If you do not resume your "operations", any loss determination will be based on the length of time it would have taken to resume "operations" with reasonable speed.

10. Coinsurance Option – Building Coverage or Business Personal Property Coverage

If a Coinsurance percentage is shown in the Declarations for **Building Coverage** or for **Business Personal Property Coverage**, 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.

- 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.

11. Coinsurance Option – Business Income Coverage

If a Coinsurance percentage is shown in the Declarations for **Business Income Coverage**, 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:

- a. The Coinsurance percentage shown for Business Income in the Declarations; times
- b. The sum of:

- (1) The Net Income (Net Profit or Loss before income taxes), and
- (2) 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 ordinary payroll expenses or the amount of payroll expense excluded (if Form **VCP 375** 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).

12. Limits on Loss Payment – Extra Expense Coverage

If an Extra Expense Limit of Insurance (i.e., an Extra Expense limit of insurance without Business Income) applies to your **Extra Expense Coverage**, we will not pay more for Extra Expense than the percentages shown in the Declarations times the Extra Expense Limit of Insurance.

When the "period of restoration" is:

- a. **30 days** or less, the first percentage applies.
- b. **60 days** or less, but more than **30 days**, the second percentage applies.
- c. More than **60 days**, the third percentage applies.

13. Lessee's Leasehold Interest Coverage

Applicable to Tenants' Lease Interest

- a. The most we will pay for loss because of the cancellation of any one lease is your "Net Leasehold Interest" at the time of loss.

But, if your lease is canceled and your landlord lets you continue to use your premises under a new lease or other arrangement, the most we will pay for loss because of the cancellation of any one lease is the lesser of:

- (1) The difference between the rent you now pay and the rent you will pay under the new lease or other arrangement; or
 - (2) Your "Net Leasehold Interest" at the time of loss.
- b. Your "Net Leasehold Interest" decreases automatically each month. The amount of "Net Leasehold Interest" at any time is your "Gross Leasehold Interest" times the leasehold interest factor for the remaining months of your lease. A proportionate share applies for any period of time less than a month.

Applicable to Bonus Payments, Improvements and Betterments and Prepaid Rent

- a. The most we will pay for loss because of the cancellation of any one lease is your "Net Leasehold Interest" at the time of loss.

But, if your lease is cancelled and your landlord lets you continue to use your premises under a new lease or other arrangement, the most we will pay for loss because of the cancellation of any one lease is the lesser of:

- (1) The loss sustained by you; or
 - (2) Your "Net Leasehold Interest" at the time of loss.
- b. Your "Net Leasehold Interest" decreases automatically each month. The amount of each decrease is your "Monthly Leasehold Interest". A proportionate share applies for any period of time less than a month.

Cancellation – Calculation of the Earned Premium

If **Lessee's Leasehold Interest Coverage** is cancelled, we will calculate the earned premium by:

- a. Computing the average of the "Net Leasehold Interest" at the:
 - (1) Inception date; and
 - (2) Cancellation date;of this coverage.
- b. Multiplying the rate for the period of coverage by the average "Net Leasehold Interest".
- c. If we cancel, we will send you a premium refund based on the difference between the:
 - (1) Premium you originally paid us; and
 - (2) Proportion of the premium calculated by multiplying the amount in paragraph **a.** times the rate for the period of coverage for the expired term of the policy.
- d. If you cancel, your refund may be less than the refund calculated in paragraph **c.**

14. Party Walls

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 Loss Payment provisions.

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.

D. LIMITS OF INSURANCE

This section will tell you how Limits of Insurance apply to your policy.

In the coverages provided by this Coverage Part, the applicable Limit of Insurance is the most we will pay for loss or damage in any one occurrence (referred to as a per occurrence limit), unless the Limit applies on an annual aggregate basis.

A Limit of Insurance will not be reduced by the payment of a claim, unless the Limit applies on an annual aggregate basis.

If an individual piece of business personal property covered under the Inland Marine Causes of Loss is scheduled with a specific limit and that item incurs a total loss, we will return the unearned premium.

In this Coverage Form, and in the Declarations, we may refer to a location level limit of insurance or to a policy level limit of insurance:

- A location level limit of insurance applies to a coverage only at specified premises, as described in the Declarations.
- A policy level limit of insurance applies across all locations where the coverage applies, rather than at specified premises.

If location level limits of insurance and a policy level limit of insurance both apply to a loss occurrence, the location level limits are applied first. If the covered losses exceed the location level limits, the policy level, per occurrence limit may be applied against the total of the covered excess losses from all locations.

1. Building and Business Personal Property Limits of Insurance

Unless a property or Coverage is more specifically addressed by one of the other Limits of Insurance in this section, it is subject to either a Building or Business Personal Property Limit of Insurance shown in the Declarations. If the property is a building or structure, it will be subject to a location level, per occurrence Building Limit of Insurance. If the property is personal property, it will be subject to the a location level, per occurrence Business Personal Property Limit of Insurance.

The Limits of Insurance for Building or Business Personal Property at designated premises will automatically increase by the annual percentage shown in the Declarations under **Automatic Increase in Limits**. At the time of loss or damage the amount of increase will be determined by multiplying the applicable Limit of Insurance shown in the Declarations by the percentage of annual increase applied on a pro rata basis.

Your **Loss and Expense Protection Coverage** for **Preservation of Property** is subject to the Business Personal Property Limit of Insurance applying to the location from which the property is moved.

2. Building Ordinance Combined Coverages B and C Limit of Insurance

Your Building Ordinance Combined Coverages B and C Limit of Insurance is a location level, per occurrence limit of insurance that is shown in the Declarations and applies per occurrence to the combined losses under **Coverage B – Demolition Cost Coverage** and **Coverage C – Increased Cost of Construction Coverage** of your **Building Ordinance Coverage**. The amount payable under **Coverages B and C** is additional insurance.

3. Property at Other Locations Limit of Insurance

- a. Your Property at Other Locations Limit of Insurance is a policy level, per occurrence limit that is shown in the Declarations and applies to any Covered Property described under **Property at Other Locations Coverage**. The Coinsurance Option does not apply to **Property at Other Locations Coverage**.
- b. This Property at Other Locations Limit of Insurance does not apply to losses covered under Part **A.11. Crime Coverage**.
- c. If this Property at Other Locations Limit of Insurance applies to Business Personal Property which is also subject to the:
 - (1) Bucket Limit of Insurance;
 - (2) Newly Acquired Limit of Insurance;
 - (3) California Hardware, Media and Electronic Data Earthquake Limit of Insurance;
 - (4) Pollutant Clean Up Limit of Insurance;
 - (5) Debris Removal Limit of Insurance;
 - (6) Building Ordinance Limit of Insurance; or

(7) Special Theft Limit of Insurance;

only the smallest of the two or more applicable limits will apply to a single occurrence. If the limits are equal, only one of the limits will be available to a single occurrence.

4. Newly Acquired or Constructed Property Limits of Insurance

- a. For **Newly Acquired or Constructed Property – Your Buildings**, the most we will pay for loss or damage at each building under this Extension, if applicable, is the policy level, per occurrence limit of insurance shown in the Declarations for Newly Acquired or Constructed Property – Building.
- b. For **Newly Acquired or Constructed Property – Your Business Personal Property**, the most we will pay for loss or damage at each building under this Extension, if applicable, is the policy level, per occurrence limit of insurance shown in the Declarations for Newly Acquired or Constructed Property – Business Personal Property.

5. Property in Transit Limit of Insurance

- a. Your Property in Transit Limit of Insurance is a policy level, per occurrence limit that is shown in the Declarations and applies to any Covered Property described under **Property in Transit Coverage**. The Coinsurance Option does not apply to **Property in Transit Coverage**.
- b. This Property in Transit Limit of Insurance does not apply to losses covered under Part **A.11. Crime Coverage**.
- c. If this Property in Transit Limit of Insurance applies to Business Personal Property which is also subject to the:
 - (1) Bucket Limit of Insurance;
 - (2) Newly Acquired Limit of Insurance;
 - (3) California Hardware, Media and Electronic Data Earthquake Limit of Insurance;
 - (4) Pollutant Clean Up Limit of Insurance;
 - (5) Debris Removal Limit of Insurance;
 - (6) Building Ordinance Limit of Insurance; or
 - (7) Special Theft Limit of Insurance;

only the smallest of the two or more applicable limits will apply in a single occurrence. If the limits are equal, only one of the limits will be available to a single occurrence.

6. Time Element Coverages Limits of Insurance

a. Business Income and/or Extra Expense Limits of Insurance

Time Element Coverages apply on your policy based on whether one or more of the following three Limits of Insurance apply:

- (1) Where a Business Income and Extra Expense Limit of Insurance is shown to apply, it is a location level, per occurrence limit that applies to the combined covered losses and extra expenses under the following **A.6. Time Element Coverages**:
 - **A.6.a. Business Income Coverage;**
 - **A.6.b. Extended Period of Indemnity Coverage;**
 - **A.6.c. Extra Expense Coverage;** and
 - **A.6.f. Civil Authority Coverage.**
- (2) Where a Business Income Limit of Insurance (i.e., a Business Income limit of insurance without Extra Expense) is shown to apply, it is a location level, per occurrence limit that applies to the combined covered business income losses under:
 - **A.6.a. Business Income Coverage;**
 - **A.6.b. Extended Period of Indemnity Coverage;** and
 - **A.6.f. Civil Authority Coverage.**
- (3) Where an Extra Expense Limit of Insurance (i.e., an Extra Expense limit of insurance without Business Income) is shown to apply, it is a location level, per occurrence limit that applies to the combined covered extra expenses under:
 - **A.6.c. Extra Expense Coverage;** and

- **A.6.f. Civil Authority Coverage.**

- (4) If one or more of the location level limits described in **D.6.a. (1), (2), and (3)** above applies on your policy, a separate policy level, per occurrence Extra Expense Limit of Insurance will also be shown in the Declarations. This policy level, per occurrence limit will apply only to **A.6.c. Extra Expense Coverage** for your combined Extra Expenses from all premises described in the Declarations at which a location level limit described in **D.6.a. (1), (2), or (3)** above applies.

b. Newly Acquired Property

- (1) If coverage **A.6.a. Business Income Coverage** or coverage **A.6.c. Extra Expense Coverage** applies on your policy, a separate policy level, per occurrence Newly Acquired Property Limit of Insurance is shown in the Declarations to apply to covered loss or expense at a newly acquired building that qualifies for coverage in **A.6. Time Element Coverages** under:
 - (a) Sub-paragraph (3) in coverage **A.6.a. Business Income Coverage**; or
 - (b) Sub-paragraph (5) in coverage **A.6.c. Extra Expense Coverage**.
- (2) If a limit of Insurance is shown in the Declarations for Newly Acquired Property Business Income or Extra Expense that limit of insurance applies as follows:
 - (a) To Business Income loss or Extra Expense, if your policy provides coverage under a Business Income and Extra Expense Limit of Insurance, or coverages under both a Business Income Limit of Insurance and an Extra Expense Limit of Insurance;
 - (b) To Business Income loss only, if your policy provides coverage under a Business Income Limit of Insurance (i.e., a Business Income limit of insurance without Extra Expense); or
 - (c) To Extra Expense only, if your policy only provides coverage under an Extra Expense Limit of Insurance (i.e., an Extra Expense limit of insurance without Business Income).

No other amount of insurance applies to the Business Income or Extra Expense coverage extensions for Newly Acquired Locations.

c. Optional Property In Transit or Property at Any Other Location

- (1) If coverage under **A.3. Business Personal Property Coverage** also applies on your policy, separate policy level, per occurrence limits of insurance may be shown in the Declarations for Business Income or Extra Expense loss arising out of loss or damage to:
 - (a) Business Personal Property in transit; or
 - (b) Business Personal Property at any other location.
- (2) If a limit of Insurance is shown in the Declarations for:
 - (a) Business Income or Extra Expense – Property in Transit; or
 - (b) Business Income or Extra Expense – Property at Any Other Location;
 that limit of insurance applies as follows:
 - (i) To Business Income loss and Extra Expense, if your policy provides coverage under a Business Income and Extra Expense Limit of Insurance, or coverages under both a Business Income Limit of Insurance and an Extra Expense Limit of Insurance;
 - (ii) To Business Income loss only, if your policy provides coverage under a Business Income Limit of Insurance (i.e., a Business Income limit of insurance without Extra Expense); or
 - (iii) To Extra Expense only, if your policy only provides coverage under an Extra Expense Limit of Insurance (i.e., an Extra Expense limit of insurance without Business Income).

No other amount of insurance applies to the Business Income or Extra Expense coverage extensions for Property in Transit or Property at Any Other Location.

d. Optional Off Premises Business Income or Extra Expense

- (1) If coverage under **A.3. Business Personal Property Coverage** also applies on your policy, separate policy level, per occurrence limits of insurance may be shown in the Declarations for loss of Business Income and/or Extra Expenses arising out of loss or damage to your Business Personal Property Off Premises.
- (2) If a limit of Insurance is shown in the Declarations for:
 - (a) Optional Off Premises Business Income and Extra Expense, it applies to the combined loss of Business Income and Extra Expenses.
 - (b) Optional Off Premises Business Income; it applies to Business Income loss only.

(c) Optional Off Premises Extra Expense, it applies to Extra Expenses only.

No other amount of insurance applies to the Optional Off Premises Business Income or Optional Off Premises Extra Expense coverage extensions.

e. Business Income or Extra Expense Utility Services Coverage

At described premises where coverage **A.6.a. Business Income Coverage** or coverage **A.6.c. Extra Expense Coverage** applies, coverage **A.6.d. Business Income or Extra Expense Utility Services Coverage** also applies and a separate policy level, per occurrence Business Income or Extra Expense Utility Services Limit of Insurance is shown in the Declarations. If a location level limit also applies to your **Business Income or Extra Expense Utility Services Coverage**, the policy level, per occurrence limit applies on an excess basis.

(1) The Business Income or Extra Expense Utility Services Limit of Insurance applies at the described premises to the coverage extension(s) for Utility Services, as follows:

- (a) To Business Income loss or Extra Expense, if your policy provides coverage under a Business Income and Extra Expense Limit of Insurance, or coverages under both a Business Income Limit of Insurance and an Extra Expense Limit of Insurance;
- (b) To Business Income loss only, if your policy provides coverage under a Business Income Limit of Insurance (i.e., a Business Income limit of insurance without Extra Expense); or
- (c) To Extra Expense only, if your policy only provides coverage under an Extra Expense Limit of Insurance (i.e., an Extra Expense limit of insurance without Business Income).

(2) No other amount of insurance applies to the Business Income or Extra Expense coverage extension(s) for Utility Services.

f. Dependent Properties Coverage

(1) If coverage **A.6.a. Business Income Coverage** or coverage **A.6.c. Extra Expense Coverage** applies on your policy, coverage extension **A.6.e. Dependent Properties Coverage** also applies and a separate policy level, per occurrence Dependent Properties Limit of Insurance is shown in the Declarations. If a location level limit also applies to your **Dependent Properties Coverage**, the policy level, per occurrence limit applies on an excess basis.

(2) If a limit of Insurance is shown in the Declarations for Dependent Properties that limit of insurance applies as follows:

- (a) To Business Income loss or Extra Expense, if your policy provides coverage under a Business Income and Extra Expense Limit of Insurance, or coverages under both a Business Income Limit of Insurance and an Extra Expense Limit of Insurance;
- (b) To Business Income loss only, if your policy provides coverage under a Business Income Limit of Insurance (i.e., a Business Income limit of insurance without Extra Expense); or
- (c) To Extra Expense only, if your policy only provides coverage under an Extra Expense Limit of Insurance (i.e., an Extra Expense limit of insurance without Business Income).

No other amount of insurance applies to the Business Income or Extra Expense coverage extensions for your **A.6.e. Dependent Properties Coverage**.

g. Additional Provision

The coverage amounts provided by the limits of insurance applying under **D.6. Time Element Coverages Limits of Insurance** do not apply to the Electronic Data Loss of Income and Extra Expense coverage provided under **A.10. Electronic Data Coverages**. See **D 13. Electronic Data Coverages Limits of Insurance** for the limits of insurance that apply under **A.10. Electronic Data Coverages**.

7. Lessee's Leasehold Interest Limit of Insurance

Subject to provision **13. Lessee's Leasehold Interest Coverage** in Section **C. PROPERTY VALUATION AND LOSS PAYMENT**:

- a. For a leased location where a location level Leasehold Interest Coverage Schedule applies, the most we will pay for the combined total of all losses at that location under your **Lessee's Leasehold Interest Coverage**, is your "Net Leasehold Interest" at the time of loss.
- b. For leased locations where location level Leasehold Interest Coverage Schedules do not apply, the most we will pay for the combined total of all losses at all locations under your **Lessee's Leasehold Interest Coverage**, is the policy level, per occurrence Leasehold Interest Limit of Insurance shown in the Declarations.

8. Fine Arts – Unscheduled Items Limit of Insurance

For "fine arts", the most we will pay for any one unscheduled item is **\$10,000**. This unscheduled per item limit cannot be increased by use of the Bucket Limit of Insurance.

9. Bucket Limit of Insurance

- a. Your Bucket Limit of Insurance is a separate, policy level, per occurrence limit of insurance that is shown in the Declarations and applies to covered loss or damage to the following types of property, or Coverages:
- (1) Personal effects owned by you, your officers, your partners, your members, your managers or your employees;
 - (2) "Valuable information property";
 - (3) "Accounts receivable";
 - (4) "Outdoor property";
 - (5) "Fine arts", subject to the Fine Arts – Unscheduled Items Limit of Insurance;
 - (6) "Hardware" and "media";
 - (7) Fire extinguisher and automatic extinguishing system recharge;
 - (8) Emergency response service charge;
 - (9) Personal property sold by you under a conditional sale or trust agreement, or any installment or deferred payment plan;
 - (10) Coverage for the decreased value of "stock" due to damage of another part or parts of "stock";
 - (11) Tenant Improvements or Betterments;
 - (12) "Electronic data" for damage or destruction from the Inland Marine Causes of Loss; and
 - (13) "Electronic data" for loss of income and extra expense from the Inland Marine Causes of Loss.
- b. The Bucket Limit of Insurance applies only to loss or damage that occurs at premises described in the Commercial Property Coverage Part Declarations.
- c. The Bucket Limit applies in excess of any location level limits shown in the Declarations, subject to any applicable deductible.
- d. Subject to the above provisions, the first Named Insured may choose which portion of the Bucket Limit will apply to the property and Coverages listed above at the time of loss.

10. Fungus, Wet Rot, and Dry Rot Limits of Insurance

a. Fungus, Wet Rot, and Dry Rot Limit of Insurance

The "Fungus", Wet Rot, and Dry Rot Limit of Insurance shown in the Declarations is a policy level, annual aggregate limit that applies to all loss or damage arising out of your **Limited Coverage for "Fungus", Wet Rot, and Dry Rot**.

Regardless of the number of claims, your "Fungus", Wet Rot, and Dry Rot Limit of Insurance 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 (if applicable to the affected premises) 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, we will not pay more in total than the amount shown in the Declarations even if the "fungus", wet or dry rot continues to be present or active, or recurs, in a later **12-month** coverage period.

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

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

The terms of this Limited Coverage does not increase or decrease payment we would otherwise make for the necessary cost to tear out and replace any part of the building or structure to repair damage to a system or appliance caused by a covered loss in which water or other liquid, powder or molten material escapes.

The terms of this Limited Coverage do not increase or decrease payment we would otherwise make for losses arising out of collapse.

b. Business Income and Extra Expense Fungus, Wet Rot, and Dry Rot

The following applies only if Business Income Coverage 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 Coverage and/or Extra Expense Coverage.

(1) Fungus, Wet Rot, and Dry Rot Period of Restoration

If the loss which resulted in "fungus", wet rot or dry rot does not in itself necessitate a suspension of operations, but such "suspension" is necessary due to loss or damage to property caused by "fungus", wet rot or dry rot, 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 your "Fungus", Wet Rot, and Dry Rot "Period of Restoration" shown in the Declarations. The days need not be consecutive.

(2) Fungus, Wet Rot, and Dry Rot Extended Period of Restoration

If a covered suspension of "operations" was caused by loss or damage other than "fungus", wet rot or dry rot but remediation of "fungus", wet rot or dry rot prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to your "Fungus", Wet Rot, and Dry Rot Extended "Period of Restoration" shown in the Declarations. The days need not be consecutive.

11. Pollutant Clean Up Limit of Insurance

Your Pollutant Clean Up Limit of Insurance is a location level, per occurrence limit that is shown in the Declarations and applies to your **Pollutant Clean Up and Removal Coverage**. This is the most we will pay for any expenses arising during any **twelve month** period.

12. Debris Removal Limit of Insurance

- a.** Your Debris Removal Limit of Insurance is a location level, per occurrence limit that is shown in the Declarations and applies to your **Debris Removal Coverage**, providing an excess Limit of Insurance.
- b.** The most we will pay for debris removal is the lesser of:
 - (1) 25%** of the covered direct physical loss or damage; or
 - (2)** The remaining applicable Limit of Insurance for Building or Business Personal Property shown in the Declarations after payment of the covered direct physical loss or damage.
- c.** If the amount in **b.** above is insufficient to pay the debris removal, we will pay the remaining debris removal. However, this additional amount we pay is subject to the Debris Removal Limit of Insurance.
- d.** We will also pay up to **\$1,000** for the costs you incur at each premises to remove debris of outdoor trees, shrubs or plants that are blown onto your premises by wind.

13. Electronic Data Coverages Limits of Insurance

a. Electronic Data Damage or Destruction

(1) Cyber Vandalism – Non-Employee Enactment or Introduction

Your Electronic Data Damage or Destruction – Cyber Vandalism – Non-Employee Limit of Insurance is a policy level, annual aggregate limit that is shown in the Declarations and is the most we will pay for this coverage in any **one policy year**.

(2) Cyber Vandalism – Employee Enactment or Introduction

Your Electronic Data Damage or Destruction – Cyber Vandalism – Employee Limit of Insurance is a policy level, annual aggregate limit that is shown in the Declarations and is the most we will pay for this coverage in any **one policy year**.

(3) Inland Marine Causes of Loss

Your Electronic Data Damage or Destruction – Inland Marine Causes of Loss coverage is included in the Bucket Limit of Insurance shown in the Declarations.

b. Electronic Data Loss of Income and Extra Expense

(1) Cyber Vandalism – Non-Employee Enactment or Introduction

Your Electronic Data Loss of Income and Extra Expense – Cyber Vandalism – Non-Employee Limit of Insurance is a policy level, annual aggregate limit that is shown in the Declarations and is the most we will pay for this coverage in any **one policy year**.

(2) Cyber Vandalism – Employee Enactment or Introduction

Your Electronic Data Loss of Income and Extra Expense – Cyber Vandalism – Employee Limit of Insurance is a policy level, annual aggregate limit that is shown in the Declarations and is the most we will pay for this coverage in any **one policy year**.

(3) Inland Marine Causes of Loss

Your Electronic Data Loss of Income and Extra Expense – Inland Marine Causes of Loss coverage is included in the Bucket Limit of Insurance shown in the Declarations.

c. Denial of Service

Your Denial of Service Limit of Insurance is a policy level, annual aggregate limit that is shown in the Declarations and is the most we will pay for this coverage in any **one policy year**.

With respect to those **Electronic Data Coverages** in this paragraph **13**, that are subject to an annual aggregate limit, each annual aggregate limit applies regardless of the number of occurrences, interruptions, premises, locations or computer systems involved. If loss payment on or relating to the first occurrence does not exhaust the applicable limit, then the balance is available for subsequent loss or damage sustained in but not after that policy year or for loss expense sustained or incurred as a result of subsequent occurrences 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 occurrence which begins in one policy year and continues or results in additional loss or damage 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 occurrence began.

14. California Hardware, Media and Electronic Data Earthquake Limit of Insurance

- a.** The California Hardware, Media and Electronic Data Earthquake Limit of Insurance is a policy level, per occurrence limit that is shown in the Declarations and applies to all covered losses (also including your applicable **Business Income Coverage** and **Extra Expense Coverage**) to "hardware", "media" and "electronic data" occurring in the State of California when covered loss arises from earth movement (other than "sinkhole collapse"), or volcanic eruption. **THIS IS NOT AN ADDITIONAL AMOUNT OF INSURANCE. NO OTHER LIMIT WILL APPLY TO THIS TYPE OF LOSS.**
- b.** All earth movement or volcanic eruption occurring in the same **168-hour** period will be considered the same occurrence.

15. Crime Coverages Limits of Insurance

- a.** Your Crime Coverages Limit of Insurance is a policy level, per occurrence limit that is shown in the Declarations and applies per "occurrence" to all losses covered under part **A.11. Crime Coverages** except losses covered under the **ERISA Employee Theft Coverage** or the **Credit, Debit or Charge Card Forgery Coverage**. Any payments for legal expenses under your **Forgery and Alteration Coverage** are in addition to your Crime Coverages Limit of Insurance.
- b.** Your ERISA Employee Theft Limit of Insurance is a policy level, per occurrence limit that is shown in the Declarations and applies per "occurrence" to all losses under your that **ERISA Employee Theft Coverage**.
- c.** Your Credit, Debit or Charge Card Forgery Limit of Insurance is a policy level, per occurrence limit that is shown in the Declarations and applies per "occurrence" to all losses under your **Credit, Debit or Charge Card Forgery Coverage**.
- d.** As respects to your **Crime Coverages**, all loss or damage:
 - (1)** Caused by one or more persons; or
 - (2)** Involving a single act or series of related acts;is considered one "occurrence".

- e. Specific policy level, per occurrence Limits of Insurance may be shown in the Declarations for any of the following **Crime Coverages**:
 - (1) **Insuring Agreement a.(1) Employee Theft;**
 - (2) **Insuring Agreement a.(2) Forgery Or Alteration;** or
 - (3) **Insuring Agreement a.(8) Money Orders And Counterfeit Money.**
- f. Specific location level, per occurrence Limits of Insurance may be shown in the Declarations for any of the following **Crime Coverages**:
 - (1) **Insuring Agreement a.(3) Inside The Premises – Theft Of Money And Securities;**
 - (2) **Insuring Agreement a.(4) Inside The Premises – Robbery Or Safe Burglary Of Other Property;** or
 - (3) **Insuring Agreement a.(5) Outside The Premises.**
- g. If a Specific Limit of Insurance applies to one of the Insuring Agreements listed in **e.(1)** through **e.(3)** above, or in **f.(1)** through **f.(3)** above, it is the most we will pay for any one "occurrence", and the Crime Coverages Limit of Insurance shall not apply to such Insuring Agreement(s). Any payments for legal expenses under **Insuring Agreement a.(2) Forgery and Alteration** are in addition to a Specific Limit of Insurance applying to that Insuring Agreement.

16. Special Theft Limits of Insurance

Your Special Theft Limits of Insurance are location level, per occurrence limits that are shown in the Declarations and apply to loss or damage arising out of theft or attempted theft of the following types of property:

- a. Furs, fur garments and garments trimmed with fur;
- b. Jewelry, watches (with a per item value greater than **\$100**), watch movements, jewels, pearls, precious and semi-precious stones, bullion;
- c. Gold, silver, platinum and other precious alloys or metals; or
- d. Stamps, tickets and letters of credit.

17. Claims Expenses Limit of Insurance

Your Claims Expense Limit of Insurance is a policy level, per occurrence limit that is shown in the Declarations and applies to losses under your **Claims Expenses Coverage**.

18. Reward Limit of Insurance

Your Reward Coverage Limit of Insurance is a policy level, per occurrence limit that is shown in the Declarations and applies to losses under your **Reward Coverage**.

19. Contractual Penalties Limit of Insurance

Your Contractual Penalties Limit of Insurance is a policy level, per occurrence limit that is shown in the Declarations and applies to losses under your **Contractual Penalties Coverage**.

20. Equipment Breakdown Additional Coverages Limits of Insurance

Your policy level, per occurrence Equipment Breakdown Additional Coverages Limits of Insurance are shown in the Declarations and apply per "accident" to the following Coverages:

- a. Expediting Expense;
- b. Hazardous Substances;
- c. Perishable Goods;
- d. CFC Refrigerants.

If a location level limit also applies to your **Equipment Breakdown Additional Coverages**, your policy level, per occurrence limit applies on an excess basis.

These coverages do not provide additional amounts of insurance.

21. Specific Limits of Insurance

A Specific Limit of Insurance is a location level limit that applies at premises described in the Declarations to a specific type of property that is eligible as Covered Property under your **Building Coverage** or under your **Business Personal Property Coverage**.

Where a Specific Limit of Insurance applies to a specific type of property, no other Limit of Insurance will apply to that type of property at that location, except as provided in item **9. Bucket Limit of Insurance**.

E. DEDUCTIBLES

1. We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible up to the applicable Limit of Insurance. If no other Deductible is shown in the Declarations, your Deductible is **\$500**.
2. Unless otherwise shown in the Declarations, no deductible applies to the following:
 - a. **Time Element Coverages;**
 - b. **Loss Expense and Protection Coverages;** or
 - c. Loss covered under your **ERISA Employee Theft Coverage** sustained by any Employee Welfare Benefit Plan or Employee Pension Benefit Plan subject to ERISA.
3. If more than one deductible applies in any one occurrence, the largest applicable deductible will be used.

F. CONDITIONS

This Coverage Form is subject to the Common Policy Conditions and, as applicable, to the Property Conditions and the Crime Conditions.

G. DEFINITIONS

Definitions Applicable to Coverages Other Than the Crime Coverages

1. "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.

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".

2. "Accounts Receivable" means:
 - a. All amounts due from your customers that you are unable to collect;
 - b. Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
 - c. Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and
 - d. Other reasonable expenses that you incur to re-establish your records of "accounts receivable" that result from direct physical loss or damage by any Covered Cause of Loss to your records of "accounts receivable".

"Accounts receivable" does not include "electronic data".

3. "Communication supply services" means the property supplying communication services, including telephone, radio, microwave or television services, to the described premises, such as:
 - a. Communication transmission lines, including optic fiber transmission lines;
 - b. Coaxial cables; and
 - c. Microwave radio relays except satellites.
4. "Covered equipment" means, unless otherwise specified in the Declarations, Covered Property:
 - a. That generates, transmits or utilizes energy; or
 - b. Which, during normal usage, operates under vacuum or pressure, other than weight of contents.

None of the following is "covered equipment":

- a. Structure, foundation, cabinet, compartment or air supported structure or building;
- b. Insulating or refractory material;
- c. Sewer piping, underground 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. Dragline, excavation equipment or construction equipment;
- f. Vehicle, aircraft, floating vessel or any equipment mounted on such vehicle, aircraft or floating vessel. However, any property that is stationary, permanently installed at a covered location and that receives electrical power from an external power supplier will not be considered a vehicle, aircraft or floating vessel;
- g. Equipment manufactured by you for sale; or
- h. Satellite, spacecraft, or any equipment mounted on a satellite or spacecraft.

5. "Covered Leasehold Interest" means the following:
 - a. Tenants' Lease Interest, meaning the difference between the:
 - (1) Rent you pay at the described premises; and
 - (2) Rental value of the described premises that you lease.
 - b. Bonus Payments, meaning the unamortized portion of a cash bonus that will not be refunded to you. A cash bonus is money you paid to acquire your lease. It does not include:
 - (1) Rent, whether or not prepaid; or
 - (2) Security.
 - c. Improvements and Betterments, meaning the unamortized portion of payments made by you for tenant improvements and betterments. It does not include the value of improvements and betterments recoverable under any other insurance, but only to the extent of such other insurance.
 - d. Prepaid Rent, meaning the unamortized portion of any amount of advance rent you paid that will not be refunded to you. This does not include the customary rent due at:
 - (1) The beginning of each month; or
 - (2) Any other rental period.
6. "Denial of service attack" means a type of attack designed to overload a computer or network system with useless traffic which denies or limits legitimate electronic mail or website usage.
7. "Dependent property" means property operated by others whom you depend on to:
 - a. Deliver materials or services to you, or to others for your account (Contributing Locations). But any property which delivers any of the following services is not a Contributing Location with respect to such services:
 - (1) "Water supply services";
 - (2) "Power supply services"; or
 - (3) "Communication supply services", including services relating to Internet access or access to any electronic network;
 - b. Accept your products or services (Recipient Locations);
 - c. Manufacture products for delivery to your customers under contract of sale (Manufacturing Locations); or
 - d. Attract customers to your business (Leader Locations).

A road, bridge, tunnel, waterway, airfield, pipeline or any other similar area or structure is not a "dependent property".
8. "Electronic data" means information, facts or computer programs stored as or on, created or used on, or transmitted to or from 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 here 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 does not apply to your "stock" of prepackaged software.
9. "Employee", as respects your **Electronic Data Coverages**:
See the definition of "employee" in Section **H. CRIME COVERAGE DEFINITIONS**.
10. "Fine arts" means paintings, etchings, pictures, tapestries, other bona fide works of art, of rarity, historical value, or artistic merit such as valuable rugs, statuary, marbles, bronzes, antiques, furniture, rare books, antique silver, manuscripts, porcelains, rare glass and bric-a-brac.
11. "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.
12. "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.

13. "Gross Leasehold Interest" means the difference between the:
- Monthly rental value of the premises you lease; and
 - Actual monthly rent you pay including taxes, insurance, janitorial or other service that you pay for as part of the rent.
- This amount is not changed:
- (1) Whether you occupy all or part of the premises; or
 - (2) If you sublet the premises.
14. "Hardware" means a network of machine components including computer systems, telephone systems and electrical panels capable of accepting data, processing it through instruction by software, and producing the desired results. "Hardware" does not include "scientific and professional equipment", medical or veterinary equipment, "media" or "electronic data".
15. "Hazardous substance" means any substance other than ammonia that has been declared to be hazardous to health by a governmental agency.
16. "Installation property" consists of any of the following property:
- Property sold under an installation agreement where your insurable interest continues until the property is accepted by the purchaser for whom the project is to be performed.
 - Materials, supplies, equipment, machinery and fixtures owned by you or in your care, custody or control, and which are to be installed by you or at your direction;
 - Temporary structures built or assembled on site, including cribbing, scaffolding and construction forms; while:
 - (1) At any job site you do not own, lease or operate;
 - (2) Awaiting or during installation, or awaiting acceptance by the purchaser;
 - (3) In transit; or
 - (4) At a temporary storage location.

But this property is not "installation property" **30 days** after the project to be performed by you for the purchaser is completed (unless we specify a different date in writing) or when one of the following first occurs:

- (1) The property is accepted by the owner or purchaser;
- (2) Your interest in the property ceases;
- (3) You abandon the project to be performed by you for the purchaser, with no intention to complete it.

Additionally, this property is not "installation property" if it is any of the following:

- (1) An existing building or structure to which an addition, alteration, improvement or repair is being made;
- (2) Property stored at a permanent warehouse or storage yard that you own;
- (3) A plan, blueprint, design or specification;
- (4) Trees, grass, sod, shrubbery or plants; or
- (5) Any property sold under an installation agreement where your insurance continues.

17. "Media" means all forms of electronic, magnetic and optical tapes and discs, drums, cells, paper tapes and cards, or other storage devices. "Media" does not include "electronic data".
18. "Money":
See the definition of "money" in Section **H. CRIME COVERAGE DEFINITIONS**.
19. "Monthly Leasehold Interest" means the monthly portion of covered Bonus Payments, Improvements and Betterments and Prepaid Rent. To find your "Monthly Leasehold Interest", divide your original costs of Bonus Payments, Improvements and Betterments or Prepaid Rent by the number of months left in your lease at the time of the expenditure.
20. "Net Leasehold Interest":
a. Applicable to Tenants' Lease Interest.

"Net Leasehold Interest" means the present value of your "Gross Leasehold Interest" for each remaining month of the term of the lease at:

- (1) The rate of interest shown in the applicable Leasehold Interest Coverage Schedule; or
- (2) The "prime lending rate" rounded to the nearest whole percent, plus **5.0%**, if no Leasehold Interest Coverage Schedule applies.

The "Net Leasehold Interest" is the amount that, placed at the rate of interest shown in the Leasehold Interest Coverage Schedule, would be equivalent to your receiving the "Gross Leasehold Interest" for each separate month of the unexpired term of the lease.

- b. Applicable to Bonus Payments, Improvements and Betterments or Prepaid Rent.

"Net Leasehold Interest" means the unamortized amount of your Bonus Payments, Improvements and Betterments or Prepaid Rent. If a Leasehold Interest Coverage Schedule applies to a leased location, "Net Leasehold Interest" means the unamortized amount shown in the Schedule. Your "Net Leasehold Interest" at any time is your "Monthly Leasehold Interest" times the number of months left in your lease.

- 21. "Operations" means your business activities occurring at the described premises, including the tenant-ability of the described premises. If the phrase Business Income Excluding Rental Value appears in the Declarations, "operations" does not include the tenantability of the described premises.
- 22. "Outdoor Property" means:
 - a. Trees;
 - b. Lawns;
 - c. Shrubs; and
 - d. Plants;excluding those held for sale.
- 23. "Period of restoration" means the period of time that:
 - a. Begins:
 - (1) **72 hours** after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss:
 - (a) At the described premises, for your **Business Income Coverage**; or
 - (b) At the "dependent location", for the **Dependent Properties Coverage** extension of your **Business Income Coverage**; and
 - (2) Immediately after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss
 - (a) At the described premises for your **Extra Expense Coverage**; or
 - (b) At the "dependent location", for the **Dependent Properties Coverage** extension of your **Extra Expense Coverage**; and
 - b. Ends the earlier of:
 - (1) The date when the property at the described damaged 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.

The **72 hour** period shown in **a.(1)** above, is the Waiting Period. For a location or coverage where a Waiting Period is shown in the Declarations, the number of hours shown for that Waiting Period applies in place of the **72 hour** period shown in **a.(1)** above.

No coverage is provided for the Waiting Period between the time of direct physical loss or damage and the beginning of the "period of restoration".

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

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

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

- 24. "Perishable goods" means personal property maintained under controlled conditions for its preservation, and susceptible to loss or damage if the controlled conditions change.

25. "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.
26. "Power supply services" means the following types of property supplying electricity, steam or gas to the described premises:
- Utility generating plants;
 - Switching stations;
 - Substations;
 - Transformers; and
 - Transmission lines.
27. "Prime lending rate" means the U.S. Prime Rate, also known as the WSJ Prime Rate, published in the Wall Street Journal. For use in a loss settlement, the "prime lending rate" is the WSJ Prime Rate that is effective at the time of the direct physical loss or damage.
28. "Rental value" means Business Income that consists of:
- 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
 - Continuing normal operating expenses incurred in connection with that premises, including:
 - Payroll; and
 - The amount of charges which are the legal obligation of the tenant(s) but would otherwise be your obligations.
29. "Scientific and professional equipment" means, engineering, measurement, recording, analyzing, or similar equipment or their components. "Scientific and professional equipment" does not include medical or veterinary equipment, "hardware", "media" or "electronic data".
30. "Securities" means:
See the definition of "securities" in Section **H. CRIME COVERAGE DEFINITIONS**.
31. "Sinkhole Collapse" means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:
- The cost of filling sinkholes; or
 - Sinking or collapse of land into man-made underground cavities.
32. "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"; sonic boom and elevator collision.
33. "Stock" means merchandise held in storage or for sale, raw materials and in-process or "finished stock", including supplies used in their packing or shipping.
34. "Suspension" means:
- The slowdown or cessation of your business activities; or
 - That a part or all of the described premises is rendered untenable, if coverage for Business Income including "rental value" applies.
35. "Tools and equipment" means:
- Miscellaneous tools and equipment, including their:
 - Accessories, whether or not attached; and
 - Spare parts that are specifically designed and intended for use in the maintenance and operation of other "tools and equipment";that you own, or that you do not own but that are in your care, custody or control.
 - However, this does not include:
 - Aircraft, watercraft, their equipment or parts; automobiles; dealers' demonstration equipment, machinery and vehicles; dirt bikes, house trailers, mobile homes, mopeds, motorcycles,

motorized bicycles, tricycles or four-wheel all terrain vehicles; snowmobiles, trucks and vehicles primarily designed and licensed for road use; "money" or "securities";

- (2) Property while in caissons or underwater or while being used in underground mining, tunneling or similar operations;
- (3) Property you have loaned, rented or leased to others;
- (4) Property that is or will become a permanent part of any building or structure; or
- (5) Property held for sale.

36. "Valuable information property" consists of properly stored, inscribed, printed, recorded or built:

- a. Information;
- b. Prototypes, meaning the first or original model of a new type of design scheduled as such in the Declarations, and
- c. Research and development documents meaning documents, plans and records which are directly associated with your research and development, are scheduled as such in the Declarations

"Valuable information property" does not include "electronic data", "fine arts", "hardware", "money", "securities" or "stock".

"Valuable information property" is considered properly stored when it is kept in the receptacles (if any) scheduled in the Declarations whenever you are not open for business or are not actually using the items.

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

38. "Water supply services" means the following types of property supplying water to the described premises:

- a. Pumping stations;
- b. Water mains; and
- c. Sewage treatment stations.

H. CRIME COVERAGE DEFINITIONS

Definitions Applicable to the Crime Coverages

1. "Banking premises" means the interior of that portion of any building occupied by a banking institution or similar safe depository.
2. "Counterfeit money" means an imitation of "money" that is intended to deceive and to be taken as genuine.
3. "Custodian" means you, or any of your partners or "members", or any "employee" while having care and custody of property inside the "premises", excluding any person while acting as a "watchperson" or janitor.
4. "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.

5. "Electronic data":

See the definition of "electronic data" in Section **G. DEFINITIONS**.

6. "Employee":

- a. "Employee" 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) Who you compensate directly by salary, wages or commissions; and

- (c) Who you have the right to direct and control while performing services for you;

- (2) Any natural person who is furnished temporarily to you:

- (a) To substitute for a permanent "employee" as defined in paragraph **a.(1)**, who is on leave; or

- (b) To meet seasonal or short-term work load conditions;

while that person is subject to your direction and control and performing services for you, excluding, however, any such person while having care and custody of property outside the "premises";

- (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"; and

- (b) A director or trustee of yours while that person is engaged in handling "funds" or "other property" of any "employee benefit plan";

- (5) Any natural person who is a former "employee", partner, "member", "manager", director or trustee retained as a consultant while performing services for you;

- (6) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside the "premises";

- (7) Any "employee" of an entity merged or consolidated with you prior to the effective date of this policy; or

- (8) Any of your "managers", directors or trustees 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.

- b. "Employee" does not mean:
Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character not specified in paragraph 6.a.
7. "Employee benefit plan" means any welfare or pension benefit plan shown in the Declarations that you sponsor and which is subject to the Employee Retirement Income Security Act of 1974 (ERISA) and any amendments thereto.
8. "Forgery" means the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity, for any purpose.
9. "Manager" means a person serving in a directorial capacity for a limited liability company.
10. "Member" means an owner of a limited liability company represented by its membership interest, who also may serve as a "manager".
11. "Messenger" means you, or a relative of yours, or any of your partners or "members", or any "employee" while having care and custody of property outside the "premises".
12. "Money" means:
- Currency, coins and bank notes in current use and having a face value; and
 - Travelers checks, registered checks and money orders held for sale to the public.
13. "Occurrence" means:
- Under **Insuring Agreement a.(1) Employee Theft**:
 - An individual act;
 - The combined total of all separate acts whether or not related; or
 - A series of acts whether or not related;committed by an "employee" acting alone or in collusion with other persons, during the Policy Period shown in the Declarations, except as provided under Crime Condition **1.k. Loss Sustained During Prior Insurance Issued By Us Or Any Affiliate** or Crime Condition **1.l. Loss Sustained During Prior Insurance Not Issued By Us Or Any Affiliate**.
 - Under **Insuring Agreement a.(2) Forgery Or Alteration**:
 - An individual act;
 - The combined total of all separate acts whether or not related; or
 - A series of acts whether or not related;committed by a person acting alone or in collusion with other persons, involving one or more instruments, during the Policy Period shown in the Declarations, except as provided under Crime Condition **1.k. Loss Sustained During Prior Insurance Issued By Us Or Any Affiliate** or Crime Condition **1.l. Loss Sustained During Prior Insurance Not Issued By Us Or Any Affiliate**.
 - Under **All Other Insuring Agreements**:
 - An individual act or event;
 - The combined total of all separate acts or events whether or not related; or
 - A series of acts or events whether or not related;committed by a person acting alone or in collusion with other persons, or not committed by any person, during the Policy Period shown in the Declarations, except as provided under Crime Condition **1.k. Loss Sustained During Prior Insurance Issued By Us Or Any Affiliate** or Crime Condition **1.l. Loss Sustained During Prior Insurance Not Issued By Us Or Any Affiliate**.
14. "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.
15. "Premises" means the interior of that portion of any building you occupy in conducting your business.
16. "Robbery" means the unlawful taking of property from the care and custody of a person by one who has:
- Caused or threatened to cause that person bodily harm; or
 - Committed an obviously unlawful act witnessed by that person.

17. "Safe burglary" means the unlawful taking of:
 - a. Property from within a locked safe or vault by a person unlawfully entering the safe or vault as evidenced by marks of forcible entry upon its exterior; or
 - b. A safe or vault from inside the "premises".
18. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or 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".
19. "Theft" means the unlawful taking of property to the deprivation of the Insured.
20. "Watchperson" means any person you retain specifically to have care and custody of property inside the "premises" and who has no other duties.

PROPERTY CONDITIONS

This Coverage Part, with the exception of the **Crime Coverages**, is subject to the following conditions, the Common Policy Conditions, and applicable Loss Conditions and Additional Conditions in the Commercial Property Coverage Forms.

See the **CRIME CONDITIONS form, VCP 004**, for the conditions applicable to the **Crime Coverages**.

I. COMMERCIAL PROPERTY CONDITIONS

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.

Exception To Condition I.D. LEGAL ACTION AGAINST US

For a loss covered by the Inland Marine Causes of Loss:

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 you discover the loss.

II. COMMERCIAL PROPERTY 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 OR DAMAGE

1. You must see that the following are done in the event of loss covered under this Coverage Part:
 - a. Notify the police if a law may have been broken.
 - b. Give us prompt notice of the loss or damage. Include a description of the property involved.
 - c. As soon as possible, give us a description of how, when and where the loss or damage occurred.
 - d. 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 unless such loss or damage is covered under your Loss Expense and Prevention Coverage for Preservation of Property. Also, if feasible, set the damaged property aside and in the best possible order for examination.

- e. At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
 - f. As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.
 - g. Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within **90 days** after our request. We will supply you with the necessary forms.
 - h. Cooperate with us in the investigation or settlement of the claim.
 - i. Resume all or part of your "operations" as quickly as possible.
 - j. Make no statement that will assume any obligation or admit any liability for any loss for which we may be liable without our consent.
2. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

D. VACANCY CONDITION

1. Description of Terms

- a. As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in **a.(1)** and **a.(2)** below:
 - (1) 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.
 - (2) 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:
 - (a) Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; and/or
 - (b) Used by the building owner to conduct customary operations.
- b. Buildings under construction or renovation are not considered vacant.

2. Vacancy Provisions

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

- a. We will not pay for any loss or damage caused by any of the following even if they are Covered Causes of Loss:
 - (1) Vandalism;
 - (2) Sprinkler leakage, unless you have protected the system against freezing;
 - (3) Building glass breakage;
 - (4) Water damage, unless you have protected the system against freezing;
 - (5) Theft; or
 - (6) Attempted theft.
- b. With respect to Covered Causes of Loss other than those listed in **2.a.(1)** through **2.a.(6)** above, we will pay the lesser of:
 - (1) the amount we would otherwise pay for the loss or damage reduced by **15%**; or
 - (2) the Actual Cash Value of the loss or damage.

E. PRIVILEGE TO ADJUST WITH OWNER

In the event of loss involving property of others in your care, custody or control, we have the right to:

- 1. Settle the loss with the owners of the property. A receipt for payment from the owners of that property will satisfy any claim of yours.
- 2. Provide a defense for legal proceedings brought against you. If provided, the expense of this defense will be at our cost and will not reduce the applicable Limit of Insurance under this insurance.

F. NON-CUMULATION OF LIMIT OF INSURANCE

Regardless of the number of years this insurance remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.

G. ERRORS IN DESCRIPTION

We will pay for loss or damage to property of the Insured and resultant business interruption, if such loss or damage is not payable solely because of any error or unintentional omission in the description or location of property as insured under this policy where the error or unintentional omission existed at the inception date of the policy or in any subsequent amendments.

It is a condition of this coverage that such error or unintentional omission shall be reported and corrected when discovered.

III. ADDITIONAL PROPERTY CONDITION – MORTGAGEHOLDERS CONDITION

A. MORTGAGEHOLDERS

1. The term mortgageholder includes trustee.
2. 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.
3. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.
4. If we deny your claim because of your acts or because you have failed to comply with the terms of this Coverage Part, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
 - a. Pays any premium due under this Coverage Part at our request if you have failed to do so;
 - b. Submits a signed, sworn proof of loss within **60 days** after receiving notice from us of your failure to do so; and
 - c. Has notified us of any change in ownership, 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.

5. 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:
 - a. The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
 - b. The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

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

6. If we cancel this policy, we will give written notice to the mortgageholder at least:
 - a. **10 days** before the effective date of cancellation if we cancel for your nonpayment of premium; or
 - b. **30 days** before the effective date of cancellation if we cancel for any other reason.
7. 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.

CRIME CONDITIONS

The **Crime Coverage** section of the **Special Property Plus Coverage Form, VCP 001**, is subject to the following **Crime Conditions** and to the **Common Policy Conditions** contained in form **VIL 001**.

The **Crime Coverage** section of the **Special Property Plus Coverage Form, VCP 001**, is not subject to the conditions contained in form **VCP 003, Property Conditions**.

CRIME CONDITIONS

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

1. CONDITIONS APPLICABLE TO ALL INSURING AGREEMENTS

a. Additional Premises Or Employees

If, while this insurance is in force, you establish any additional "premises" or hire additional "employees", other than through consolidation or merger with, or purchase or acquisition of assets or liabilities of, another entity, such "premises" and "employees" shall automatically be covered under this insurance. Notice to us of an increase in the number of "premises" or "employees" need not be given and no additional premium need be paid for the remainder of the Policy Period shown in the Declarations.

b. Concealment, Misrepresentation Or Fraud

This insurance is void in any case of fraud by you as it relates to this insurance 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 insurance;
- (2) The property covered under this insurance;
- (3) Your interest in the property covered under this insurance; or
- (4) A claim under this insurance.

c. Consolidation – Merger Or Acquisition

If you consolidate or merge with, or purchase or acquire the assets or liabilities of, another entity:

- (1) You must give us written notice as soon as possible and obtain our written consent to extend the coverage provided by this insurance to such consolidated or merged entity or such purchased or acquired assets or liabilities. We may condition our consent by requiring payment of an additional premium; but
- (2) For the first **90 days** after the effective date of such consolidation, merger or purchase or acquisition of assets or liabilities, the coverage provided by this insurance shall apply to such consolidated or merged entity or such purchased or acquired assets or liabilities, provided that all "occurrences" causing or contributing to a loss involving such consolidation, merger or purchase or acquisition of assets or liabilities, must take place after the effective date of such consolidation, merger or purchase or acquisition of assets or liabilities.

d. Cooperation

You must cooperate with us in all matters pertaining to this insurance as stated in its terms and conditions.

e. Duties In The Event Of Loss

After you "discover" a loss or a situation that may result in loss of or damage to "money", "securities" or "other property" you must:

- (1) Notify us as soon as possible. If you have reason to believe that any loss (except for loss covered under **Insuring Agreement a.(1) Employee Theft or Insuring Agreement a.(2) Forgery Or Alteration**) involves a violation of law, you must also notify the local law enforcement authorities.
- (2) Submit to examination under oath at our request and give us a signed statement of your answers.
- (3) Produce for our examination all pertinent records.
- (4) Give us a detailed, sworn proof of loss within **120 days**.
- (5) Cooperate with us in the investigation and settlement of any claim.

f. Employee Benefit Plans

- (1) The "employee benefit plans" shown in the Declarations (hereinafter referred to as Plan) are included as Insureds under **Insuring Agreement a.(1) Employee Theft**.
- (2) If any Plan is insured jointly with any other entity under this insurance, you or the Plan Administrator must select a Limit of Insurance for **Insuring Agreement a.(1) Employee Theft** that is sufficient to provide a Limit of Insurance for each Plan that is at least equal to that required if each Plan were separately insured.
- (3) With respect to loss sustained or "discovered" by any such Plan, **Insuring Agreement a.(1) Employee Theft** is replaced by the following:

We will pay for loss of or damage to "funds" and "other property" resulting directly from fraudulent or dishonest acts committed by an "employee", whether identified or not, acting alone or in collusion with other persons.
- (4) If the first Named Insured is an entity other than a Plan, any payment we make for loss sustained by any Plan will be made to the Plan sustaining the loss.
- (5) If two or more Plans are insured under this insurance, any payment we make for loss:
 - (a) Sustained by two or more Plans; or
 - (b) Of commingled "funds" or "other property" of two or more Plans;

resulting directly from an "occurrence" will be made to each Plan sustaining loss in the proportion that the Limit of Insurance required for each Plan bears to the total Limit of Insurance of all Plans sustaining loss.
- (6) The Deductible Amount applicable to **Insuring Agreement a.(1) Employee Theft** does not apply to loss sustained by any Plan.

g. Extended Period To Discover Loss

We will pay for loss that you sustained prior to the effective date of cancellation of this insurance, which is "discovered" by you:

- (1) No later than **1 year** from the date of that cancellation. However, this extended period to "discover" loss terminates immediately upon the effective date of any other insurance obtained by you, whether from us or another insurer, replacing in whole or in part the coverage afforded under this insurance, whether or not such other insurance provides coverage for loss sustained prior to its effective date.
- (2) No later than **1 year** from the date of that cancellation with regard to any "employee benefit plans".

h. Joint Insured

- (1) If more than one Insured is named in the Declarations, the first Named Insured will act for itself and for every other Insured for all purposes of this insurance. If the first Named Insured ceases to be covered, then the next Named Insured will become the first Named Insured.
- (2) If any Insured, or partner, "member" or officer of that Insured has knowledge of any information relevant to this insurance, that knowledge is considered knowledge of every Insured.
- (3) An "employee" of any Insured is considered to be an "employee" of every Insured.
- (4) If this insurance or any of its coverages is cancelled as to any Insured, loss sustained by that Insured is covered only if it is "discovered" by you:
 - (a) No later than **1 year** from the date of that cancellation. However, this extended period to "discover" loss terminates immediately upon the effective date of any other insurance obtained by that Insured, whether from us or another insurer, replacing in whole or in part the coverage afforded under this insurance, whether or not such other insurance provides coverage for loss sustained prior to its effective date.
 - (b) No later than **1 year** from the date of that cancellation with regard to any "employee benefit plans".
- (5) We will not pay more for loss sustained by more than one Insured than the amount we would pay if all such loss had been sustained by one Insured.
- (6) Payment by us to the first Named Insured for loss sustained by any Insured, other than an "employee benefit plan", shall fully release us on account of such loss.

i. Legal Action Against Us

You may not bring any legal action against us involving loss:

- (1) Unless you have complied with all the terms of this insurance;
- (2) Until **90 days** after you have filed proof of loss with us; and
- (3) Unless brought within **2 years** from the date you "discovered" the loss.

If any limitation in this Condition is prohibited by law, such limitation is amended so as to equal the minimum period of limitation provided by such law.

j. Liberalization

If we adopt any revision that would broaden the coverage under this insurance without additional premium within **45 days** prior to or during the Policy Period shown in the Declarations, the broadened coverage will immediately apply to this insurance.

k. Loss Sustained During Prior Insurance Issued By Us Or Any Affiliate

(1) Loss Sustained Partly During This Insurance And Partly During Prior Insurance

If you "discover" loss during the Policy Period shown in the Declarations, resulting directly from an "occurrence" taking place:

- (a) Partly during the Policy Period shown in the Declarations; and
- (b) Partly during the Policy Period(s) of any prior cancelled insurance that we or any affiliate issued to you or any predecessor in interest;

and this insurance became effective at the time of cancellation of the prior insurance, we will first settle the amount of loss that you sustained during this Policy Period. We will then settle the remaining amount of loss that you sustained during the Policy Period(s) of the prior insurance.

(2) Loss Sustained Entirely During Prior Insurance

If you "discover" loss during the Policy Period shown in the Declarations, resulting directly from an "occurrence" taking place entirely during the Policy Period(s) of any prior cancelled insurance that we or any affiliate issued to you or any predecessor in interest, we will pay for the loss, provided:

- (a) This insurance became effective at the time of cancellation of the prior insurance; and
- (b) The loss would have been covered under this insurance had it been in effect at the time of the "occurrence".

We will first settle the amount of loss that you sustained during the most recent prior insurance. We will then settle any remaining amount of loss that you sustained during the Policy Period(s) of any other prior insurance.

(3) In settling loss subject to this Condition:

- (a) The most we will pay for the entire loss is the highest single Limit of Insurance applicable during the period of loss, whether such limit was written under this insurance or was written under the prior insurance issued by us.
- (b) We will apply the applicable Deductible Amount shown in the Declarations to the amount of loss sustained under this insurance. If no loss was sustained under this insurance, we will apply the Deductible Amount shown in the Declarations to the amount of loss sustained under the most recent prior insurance.

If the Deductible Amount is larger than the amount of loss sustained under this insurance, or the most recent prior insurance, we will apply the remaining Deductible Amount to the remaining amount of loss sustained during the prior insurance.

We will not apply any other Deductible Amount that may have been applicable to the loss.

l. Loss Sustained During Prior Insurance Not Issued By Us Or Any Affiliate

- (1) If you "discover" loss during the Policy Period shown in the Declarations, resulting directly from an "occurrence" taking place during the Policy Period of any prior cancelled insurance that was issued to you or a predecessor in interest by another company, and the period of time to discover loss under that insurance had expired, we will pay for the loss under this insurance, provided:

- (a) This insurance became effective at the time of cancellation of the prior insurance; and
- (b) The loss would have been covered under this insurance had it been in effect at the time of the "occurrence".

(2) In settling loss subject to this Condition:

- (a) The most we will pay for the entire loss is the lesser of the Limits of Insurance applicable during the period of loss, whether such limit was written under this insurance or was written under the prior cancelled insurance.
- (b) We will apply the applicable Deductible Amount shown in the Declarations to the amount of loss sustained under the prior cancelled insurance.

(3) The insurance provided under this Condition is subject to the following:

- (a) If loss covered under this Condition is also partially covered under **Condition 1.k. Loss Sustained During Prior Insurance Issued By Us Or Any Affiliate**, the amount recoverable under this Condition is part of, not in addition to, the amount recoverable under **Condition 1.k. Loss Sustained During Prior Insurance Issued By Us Or Any Affiliate**.
- (b) For loss covered under this Condition that is not subject to paragraph (3)(a), the amount recoverable under this Condition is part of, not in addition to, the Limit of Insurance applicable to the loss covered under this insurance and is limited to the lesser of the amount recoverable under:
 - (i) This insurance as of its effective date; or
 - (ii) The prior cancelled insurance had it remained in effect.

m. Other Insurance

If other valid and collectible insurance is available to you for loss covered under this insurance, our obligations are limited as follows:

(1) Primary Insurance

When this insurance is written as primary insurance, and:

- (a) You have other insurance subject to the same terms and conditions as this insurance, we will pay our share of the covered loss. Our share is the proportion that the applicable Limit of Insurance shown in the Declarations bears to the total limit of all insurance covering the same loss.
- (b) You have other insurance covering the same loss other than that described in paragraph (1)(a), we will only pay for the amount of loss that exceeds:
 - (i) The Limit of Insurance and Deductible Amount of that other insurance, whether you can collect on it or not; or
 - (ii) The Deductible Amount shown in the Declarations;whichever is greater. Our payment for loss is subject to the terms and conditions of this insurance.

(2) Excess Insurance

- (a) When this insurance is written excess over other insurance, we will only pay for the amount of loss that exceeds the Limit of Insurance and Deductible Amount of that other insurance, whether you can collect on it or not. Our payment for loss is subject to the terms and conditions of this insurance.
- (b) However, if loss covered under this insurance is subject to a Deductible, we will reduce the Deductible Amount shown in the Declarations by the sum total of all such other insurance plus any Deductible Amount applicable to that other insurance.

n. Ownership Of Property; Interests Covered

The property covered under this insurance is limited to property:

- (1) That you own or lease; or
- (2) That you hold for others whether or not you are legally liable for the loss of such property.

However, this insurance is for your benefit only. It provides no rights or benefits to any other person or organization. Any claim for loss that is covered under this insurance must be presented by you.

o. Records

You must keep records of all property covered under this insurance so we can verify the amount of any loss.

p. Recoveries

- (1) Any recoveries, whether effected before or after any payment under this insurance, whether made by us or you, shall be applied net of the expense of such recovery:
- (a) First, to you in satisfaction of your covered loss in excess of the amount paid under this insurance;
 - (b) Second, to us in satisfaction of amounts paid in settlement of your claim;
 - (c) Third, to you in satisfaction of any Deductible Amount; and
 - (d) Fourth, to you in satisfaction of any loss not covered under this insurance.
- (2) Recoveries do not include any recovery:
- (a) From insurance, suretyship, reinsurance, security or indemnity taken for our benefit; or
 - (b) Of original "securities" after duplicates of them have been issued.

q. Territory

This insurance covers loss that you sustain resulting directly from an "occurrence" taking place within the United States of America (including its territories and possessions), Puerto Rico and Canada.

r. Transfer Of Your Rights Of Recovery Against Others To Us

You must transfer to us all your rights of recovery against any person or organization for any loss you sustained and for which we have paid or settled. You must also do everything necessary to secure those rights and do nothing after loss to impair them.

s. Valuation - Settlement

- (1) The value of any loss for purposes of coverage under this policy shall be determined as follows:
- (a) Loss of "money" but only up to and including its face value. We will, at your 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 dollar equivalent determined by the rate of exchange published in The Wall Street Journal on the day the loss was "discovered".
 - (b) 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:
 - i. Market value of the "securities" at the close of business on the day the loss was "discovered"; or
 - ii. The Limit of Insurance applicable to the "securities".
 - (c) Loss of or damage to "other property" or loss from damage to the "premises" or its exterior for the replacement cost of the property without deduction for depreciation. However, we will not pay more than the least of the following:
 - (i) The cost to replace the lost or damaged property with property of comparable material and quality and used for the same purpose;
 - (ii) The amount you actually spend that is necessary to repair or replace the lost or damaged property; or
 - (iii) The Limit of Insurance applicable to the lost or damaged property.
- With regard to paragraphs **s.(1)(c)(i)** through **s.(1)(c)(iii)**, we will not pay on a replacement cost basis for any loss or damage:
- i. Until the lost or damaged property is actually repaired or replaced; and
 - ii. Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.
- If the lost or damaged property is not repaired or replaced, we will pay on an actual cash value basis.

- (2) We will, at your option, settle loss or damage to property other than "money":
 - (a) In the "money" of the country in which the loss or damage occurred; or
 - (b) In the United States of America dollar equivalent of the "money" of the country in which the loss or damage occurred determined by the rate of exchange published in The Wall Street Journal on the day the loss was "discovered".
- (3) Any property that we pay for or replace becomes our property.

2. CONDITIONS APPLICABLE TO INSURING AGREEMENT a.(1) EMPLOYEE THEFT

a. Termination As To Any Employee

This Insuring Agreement terminates as to any "employee":

- (1) As soon as:
 - (a) You; or
 - (b) Any of your partners, "members", "managers", officers, directors, or trustees not in collusion with the "employee"; learn of "theft" or any other dishonest act committed by the "employee" whether before or after becoming employed by you.
- (2) On the date specified in a notice mailed to the first Named Insured. That date will be at least **30 days** after the date of mailing.

We will mail or deliver our notice to the first Named Insured's last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

b. Territory

We will pay for loss caused by any "employee" while temporarily outside the territory specified in the **Territory Condition 1.q.** for a period of not more than **90 consecutive days**.

3. CONDITIONS APPLICABLE TO INSURING AGREEMENT a.(2) FORGERY OR ALTERATION

a. Deductible Amount

The Deductible Amount does not apply to legal expenses paid under **Insuring Agreement a.(2) Forgery Or Alteration**.

b. Electronic And Mechanical Signatures

We will treat signatures that are produced or reproduced electronically, mechanically or by other means the same as handwritten signatures.

c. Proof Of Loss

You must include with your proof of loss any instrument involved in that loss, or, if that is not possible, an affidavit setting forth the amount and cause of loss.

d. Territory

We will cover loss that you sustain resulting directly from an "occurrence" taking place anywhere in the world. **Territory Condition 1.q.** does not apply to **Insuring Agreement A.(2) FORGERY OR ALTERATION**.

4. CONDITIONS APPLICABLE TO INSURING AGREEMENT a.(4) INSIDE THE PREMISES – ROBBERY OR SAFE BURGLARY OF OTHER PROPERTY AND TO INSURING AGREEMENT a.(5) OUTSIDE THE PREMISES

a. Armored Motor Vehicle Companies

Under **Insuring Agreement a.(5) Outside The Premises**, we will only pay for the amount of loss you cannot recover:

- (1) Under your contract with the armored motor vehicle company; and
- (2) From any insurance or indemnity carried by, or for the benefit of customers of, the armored motor vehicle company.

b. Special Limit Of Insurance For Specified Property

We will only pay up to **\$5,000** for any one "occurrence" of loss of or damage to:

- (1) Precious metals, precious or semi-precious stones, pearls, furs, or completed or partially completed articles made of or containing such materials that constitute the principal value of such articles; or
- (2) Manuscripts, drawings, or records of any kind, or the cost of reconstructing them or reproducing any information contained in them.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF 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
 CRIME AND FIDELITY COVERAGE PART
 EQUIPMENT BREAKDOWN COVERAGE PART
 FARM COVERAGE PART
 STANDARD PROPERTY POLICY

SCHEDULE

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

State(s)	Coverage Form, Coverage Part Or Policy
CA, CT, GA, HI, IA, IL, MA, ME, MO, NC, NJ, NY, OR, RI, VA, WA, WI, WV	COMMERCIAL PROPERTY COVERAGE PART
CA, ME, MO, OR, WI	COMMERCIAL INLAND MARINE COVERAGE PART
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

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

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

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.

B. The following exclusion is added:

CERTIFIED ACT OF TERRORISM EXCLUSION

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

C. Exception Covering Certain Fire Losses

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

If a "certified act of terrorism" results in fire, we will pay for the loss or damage caused by that fire. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense coverage forms or endorsements which apply to those forms, or to the Legal Liability Coverage Form or the Leasehold Interest Coverage Form.

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.

D. Application Of Other Exclusions

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COMPUTER FRAUD

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY PLUS COVERAGE FORM
PROPERTY CONDITIONS FORM
CRIME CONDITIONS FORM

1. The following is added to Section **A. COVERAGES**, paragraph **11. Crime Coverages**, subparagraph **a. Insuring Agreements**:

COMPUTER FRAUD

We will pay for loss of or damage to "money", "securities" and "other property" resulting directly from the use of any computer to fraudulently cause a transfer of that property from inside the "premises" or "banking premises":

- a. To a person (other than a "messenger") outside those "premises"; or
- b. To a place outside those "premises".

2. The following is added to Section **A. COVERAGES**, paragraph **11. Crime Coverages**, subparagraph **4. Exclusions**:

Insuring Agreement **Computer Fraud** does not cover:

a. Credit Card Transactions

Loss resulting from the use or purported use of credit, debit, charge, access, convenience, identification, stored-value or other cards or the information contained on such cards.

b. Funds Transfer Fraud

Loss resulting from a "fraudulent instruction" directing a financial institution to transfer, pay or deliver "funds" from your "transfer account".

c. Inventory Shortages

Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon:

- (1) An inventory computation; or
- (2) A profit and loss computation.

3. The following is added to the **CRIME CONDITIONS FORM**:

CONDITIONS APPLICABLE TO INSURING AGREEMENT COMPUTER FRAUD

a. Special Limit of Insurance For Specified Property

We will only pay up to \$5,000 for any one "occurrence" of loss of or damage to manuscripts, drawings, or records of any kind, or the cost of reconstructing them or reproducing any information contained in them.

b. Territory

We will cover loss that you sustain resulting directly from an "occurrence" taking place anywhere in the world. Territory Condition **1,q.** does not apply to **Computer Fraud** Insuring Agreement.

4. The following is added to Section **H. CRIME COVERAGE DEFINITIONS**:

a. "Fraudulent instruction" means:

- (1) An electronic, telegraphic, cable, teletype, tele-facsimile or telephone instruction which purports to have been transmitted by you, but which was in fact fraudulently transmitted by someone else without your knowledge or consent;
- (2) A written instruction (other than those described in Insuring Agreement **a.(2)**) issued by you, which was forged or altered by someone other than you without your knowledge or consent, or which purports to have been issued by you, but was in fact fraudulently issued without your knowledge or consent; or
- (3) An electronic, telegraphic, cable, teletype, tele-facsimile, telephone or written instruction initially received by you which purports to have been transmitted by an "employee" but which was in fact fraudulently transmitted by someone else without your or the "employee's" knowledge or consent.

- b.** "Funds" means "money" and "securities".
- c.** "Transfer account" means an account maintained by you at a financial institution from which you can initiate the transfer, payment or delivery of "funds":
 - (1)** By means of electronic, telegraphic, cable, teletype, tele-facsimile or telephone instructions communicated directly through an electronic funds transfer system: or
 - (2)** By means of written instructions (other than those described in Insuring Agreement **a.(2)**) establishing the conditions under which such transfers are to be initiated by such financial institutions through an electronic funds transfer system.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITED COVERAGE FOR BACKUP OF SEWERS, DRAINS OR SUMPS

This endorsement modifies the insurance provided under the following forms:

SPECIAL PROPERTY PLUS COVERAGE FORM

A. The following is added to Section A. Coverages:

Limited Coverage for Backup of Sewers, Drains or Sumps

1. We will pay for direct physical loss or damage to Covered Property from water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment.

The most we will pay for this coverage is the policy level, annual aggregate Direct Damage Backup of Sewers, Drains or Sumps Limit of Insurance shown in the Declarations. Regardless of the number of claims, the Limit of Insurance shown in the Declarations is the most we will pay for the total of all loss or damage in any one policy year.

2. The coverage provided under this **Limited Coverage for Backup of Sewers, Drains or Sumps** does not increase the applicable Limit of Insurance on any Covered Property. For example, if a particular occurrence results in:

(1) loss or damage from water which backs up or overflows from a sewer, drain or sump; and

(2) other loss or damage from another Covered Cause of Loss;

we will not pay more for the total of all loss or damage than the applicable limit of insurance on the affected Covered Property.

3. If **Business Income Coverage** and/or **Extra Expense Coverage** applies to the described premises, and a loss which resulted in the backup or overflow or discharge of water from a sewer, drain, sump, sump pump or related equipment does not in itself necessitate a "suspension" of "operations", but such "suspension" is necessary due to the loss or damage caused by water which backs up or overflows from a sewer, drain or sump, we will pay for loss of Business Income or Extra Expense resulting from that "suspension" of your "operations".

The most we will pay under **Business Income Coverage** and/or **Extra Expense Coverage** is the policy level, annual aggregate Business Income and Extra Expense Backup of Sewers, Drains or Sumps Limit of Insurance shown in the Declarations. Regardless of the number of claims, the Limit of Insurance shown in the Declarations is the most we will pay for the total of all loss or damage in any one policy year.

- B. In Section B. CAUSES OF LOSS, sub-paragraph b.(1)(f) Water of paragraph 1. General Causes of Loss is amended to add the following adding Backup Water to the types of water excluded by the Water exclusion:**

Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment.

However, this exclusion of Backup Water does not apply to the extent that coverage is provided in the **Limited Coverage for Backup of Sewers, Drains or Sumps**.

- C. In Section E. Deductibles, paragraph 3. is replaced by the following as regards the coverage provided by this endorsement:**

3. A **\$2,500** deductible applies to the **Limited Coverage for Backup of Sewers, Drains or Sumps**. However, if the policy deductible is greater than **\$2,500** then the policy deductible will apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MARGIN CLAUSE – BUILDING AND BUSINESS PERSONAL PROPERTY

This endorsement modifies the insurance provided by the following:

SPECIAL PROPERTY PLUS COVERAGE FORM

Section **D. Limits of Insurance** paragraph **1. Building and Business Personal Property Limits of Insurance** is revised to add the following:

D. Limits of Insurance

1. Building and Business Personal Property Limits of Insurance

With respect to the insurance provided under the above form, the most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations, except as provided below:

The most we will pay for loss or damage for covered property under Section **A. Coverages** paragraph **1. Building Coverage** and paragraph **3. Business Personal Property Coverage** in any one occurrence for any one building or any one structure, or your business personal property at any one location will be the least of the following:

- a. The percentage indicated in the Schedule of the building and/or personal property reported value(s) for each location as shown on the Declarations page or in the Schedule, less applicable deductible(s). Combined building and business personal property values may also be shown.
- b. The actual adjusted amount of loss covered by this policy less applicable deductible(s).

SCHEDULE*

Prem. No.	Bldg. No.	Margin Percentage	Building Value	Business Personal Property Value	Combined Building & Personal Property Value
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See Reverse Side

Do **not** enter a Combined Building & Personal Property Value if individual values are selected for Building or Business Personal Property or if one of these coverages is not applicable.

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

SCHEDULE*

Prem. No.	Bldg. No.	Coverage	Margin Percentage	Value
1	1	Building	120%	\$2,000,000
		Business Personal Property	120%	\$185,000
2	1	Building	120%	\$655,000
		Business Personal Property	120%	\$265,000
3	1	Building	120%	\$560,000
		Business Personal Property	120%	\$170,000
	2	Building	120%	\$70,000
	3	Building	120%	\$35,000
	4	Building	120%	\$15,750
4	1	Building	120%	\$515,000
		Business Personal Property	120%	\$144,000
	2	Building	120%	\$15,000
		Business Personal Property	120%	\$7,500
	3	Building	120%	\$52,500
		Business Personal Property	120%	\$20,000
	4	Building	120%	\$84,000
		Business Personal Property	120%	\$10,000
5	1	Building	120%	\$225,000
		Business Personal Property	120%	\$25,000
	2	Building	120%	\$15,000
	3	Building	120%	\$150,000
		Business Personal Property	120%	\$20,000
	4	Building	120%	\$15,000
6	1	Building	120%	\$725,000
		Business Personal Property	120%	\$155,000
7	1	Building	120%	\$75,000
8	1	Building	120%	\$15,000
9	1	Building	120%	\$20,000

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

GREEN UPGRADES ADDITIONAL COVERAGE

This endorsement modifies insurance provided under the:

SPECIAL PROPERTY PLUS COVERAGE FORM

Paragraphs A., B., C., and D. are added to Section A. COVERAGES of the Coverage Form.

A. Green Upgrades Additional Coverage

We will pay for the necessary and reasonable additional costs attributable to "green upgrades" of damaged parts of "upgrade-eligible property" that:

1. Is your Building Property or your Business Personal Property located at a premises described in the Declarations; and
2. Suffers direct physical loss or damage caused by a Covered Cause of Loss that requires repair or replacement of the damaged parts of the property.

Coverage Conditions

1. Insured to Replacement Cost

- a. Your "upgrade-eligible property" must be insured on a Replacement Cost valuation basis for the applicable **Building Coverage** and/or **Business Personal Property Coverage**.
- b. Repair or replacement of pre-existing "green" materials and products with comparable material and quality is already covered under your **Building Coverage** or **Business Personal Property Coverage**. The value of any pre-existing "green" materials and products must be:
 - (1) Included in the current Replacement Cost value of the "upgrade-eligible property"; and
 - (2) Insured in the limits for **Building Coverage** and/or **Business Personal Property Coverage**.
- c. The coverage and limits provided by this **Green Upgrades Additional Coverage** endorsement cannot be applied to any part of the current replacement cost of your "upgrade-eligible property".

2. Green Upgrades

The coverage and limits provided by this **Green Upgrades Additional Coverage** endorsement can be applied to the cost differential(s):

- a. To upgrade the "green" level of damaged parts of your "upgrade-eligible property" that are pre-existing "green" materials and products; and/or
 - b. To upgrade to "green" other damaged parts of your "upgrade-eligible property";
- to the extent necessary for repair or replacement of such damaged parts.

3. Building Upgrades - Certification

- a. If your building had been given a level of "green" building certification by a "green standards-setter" prior to the loss, we will pay for necessary "green upgrades" to damaged parts of your "upgrade-eligible property" to satisfy the minimum number of points required to qualify for "green" building certification by that "green standards-setter" at one level above the certification in effect at the time of the loss.
- b. If your building had not been given a level of "green" building certification by a "green standards-setter" prior to the loss, we will pay for necessary "green upgrades" to damaged parts of your "upgrade-eligible property" to satisfy the minimum number of points required to qualify for "green" building certification by a "green standards-setter" at the lowest level of certification available at the time of the loss.

4. Necessary Repair or Replacement

Subject to Paragraph **F. Limits of Insurance** below, our payment under the **Green Upgrades Additional Coverage** is limited to "green upgrades" as reasonable and necessary to the repair or replacement of damaged parts of the property.

- a. To the extent that the damage can be repaired without replacement (and whether or not "green" materials or products are suitable and available for use in the repair), we will not pay any additional cost to replace such property or a system comprising such property solely for the purpose of achieving a "green" alternative.
- b. We will not pay any additional cost to repair or replace damaged property solely for the purpose of achieving points toward certification or recertification of the property by a "green standards-setter". However, we will pay for reasonable and necessary "green upgrades" as set forth above and for certain additional expenses related to achieving recertification as provided under Paragraph **B. Related Expenses**.

5. Replacement of a Building Component

In the event of a loss for which we determine that it is necessary to replace a building component (such as a roof) or building system (such as a heating system), such replacement:

- a. Is limited to replacement of the damaged building component or system with a "green" building component or system which serves the same primary function as the damaged property; and
- b. Does not extend to modification or replacement of any other building component or system. However, we may pay to repair or replace property that is necessarily damaged or destroyed in the course of replacing the damaged building component or system.

For example:

If your traditional roof sustains damage and we pay to replace it with a vegetated roof, we would also pay to restore damaged electrical wiring, if any, that ran through the damaged roof and supported the building's existing electrical power system. But, in such case, we would not pay to replace the electrical wiring with solar panels, because the roof's primary function is not to generate energy or distribute electrical power. (In referring to costs we pay, this example assumes that such costs are within the amount payable as otherwise determined under this endorsement.)

This Paragraph, **A.5.**, reinforces the policy's loss settlement provisions in the context of coverage for "green upgrades", and is not meant to imply broader coverage for replacement of property other than building components or systems.

6. Vegetated Roofs

The following provisions, **a.** through **d.**, apply to vegetated roofs:

- a. With respect to the coverage provided under this policy, lawns, trees, shrubs and/or plants which are necessary functional parts of a vegetated roof that qualifies under the guidelines set by a "green standards-setter" are not considered to be "outdoor property".
- b. The General Causes of Loss apply to lawns, trees, shrubs and/or plants which are necessary functional parts of a qualified vegetated roof.
- c. The **Limited Coverage for "Fungus", Wet Rot, and Dry Rot** does not apply to vegetated roofs.
- d. In addition to the exclusions that otherwise apply to the building under the General Causes of Loss, the following is added under **B.1.b.(1)**:

We will not pay for loss or damage to vegetated roofs 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, whether driven by wind or not.

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

B. Related Expenses

The following **Related Expenses**, as described in Paragraphs **B.1.** through **B.4.** below, are insured only with respect to a loss that is covered under Paragraph **A.** of this endorsement.

In any one occurrence, you may elect to apply up to **10%** of the **Green Upgrades Limit of Insurance** to the total of all **Related Expenses**. The amount of insurance you apply to **Related Expenses** is part of, and not in addition to, the **Green Upgrades Limit of Insurance**.

However, if any such Related Expenses are otherwise covered under this policy, the amount provided under this endorsement for **Related Expenses** will apply in excess of such coverage.

1. Waste Reduction And Recycling

We will pay your reasonable expense to:

- a. Reuse or salvage building materials and contents; and
- b. Extract and transport recyclable construction waste to appropriate sites;

but any income received as a result of such waste reduction and recycling reduces the amount of loss that otherwise would have been payable under this endorsement.

2. Design And Engineering Professional Fees

We will pay reasonable and customary fees for the services of an accredited architect or engineer with respect to any necessary design and engineering recommendations in the course of repair or replacement of damaged portions of the building.

3. Certification Fees And Related Equipment Testing

- a. We will pay fees imposed by the "green standards-setter" in order to determine if certification or recertification is appropriate according to the organization's standard.
- b. We will pay your reasonable expenses to test building systems and building equipment following their repair or installation as replacements, when such testing is undertaken in the course of submitting to the certification or recertification process. But we will not pay expenses to test production equipment or other tools or equipment used in your business.
- c. We will not pay for any further modification if the building fails to obtain certification, recertification or a specific level of certification.

4. Building Air-out And Related Air Testing

After repair or reconstruction is completed, we will pay your reasonable expenses to flush out the renovated space and/or conduct air quality testing of the renovated space in accordance with the recommended procedures of a "green standards-setter" and for the purpose of mitigating indoor air quality deficiencies resulting from the repair or reconstruction.

C. Ordinance or Law Coverage - Buildings Only

Coverage **A.2. Building Ordinance Coverage** in Section **A. COVERAGES** of the Coverage Form, applies only in response to the minimum requirements of an ordinance or law. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements of law or ordinance are not covered under **Building Ordinance Coverage**.

However, as set forth under Paragraph **A.** above and subject to the terms of this endorsement, reasonable and necessary "green upgrades" in excess of the minimum requirements of ordinance or law are covered under **Green Upgrades Additional Coverage**.

With respect to coverage for "green upgrades" under this endorsement, we will not pay any cost that is actually paid in loss settlement under another coverage, including but not limited to **Building Ordinance Coverage**.

D. Time Element Coverages – Extension of "Period of Restoration"

At described premises where this policy provides coverage under **A.6.a. Business Income Coverage** and/or **A.6.c. Extra Expense Coverage** in sub-section **6. Time Element Coverages** in Section **A. COVERAGES** of the Coverage Form, the following provision applies with respect to the applicable premises:

The following provisions apply only to **Business Income Coverage**, and/or **Extra Expense Coverage**, if such coverage is included in this policy with respect to the applicable premises.

- 1. The "period of restoration" is extended to include the increased period of time attributable to the coverage described in Paragraph **A.** and/or Paragraph **B.** above. Such extension is limited to **30 days**.
- 2. **Extended Period of Indemnity Coverage** does not commence until the extended "period of restoration" ends.
- 3. The provisions of Paragraph **D.1.** do not increase the applicable Business Income and/or Extra Expense Limit(s) of Insurance shown in the Declarations.

Paragraph E. is added to Section B. CAUSES OF LOSS of the Coverage Form.

E. Exclusions

We will not pay under this endorsement for:

- 1. The costs associated with enforcement of or conformance to any standard or guideline which:

- a. Requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria;
- b. Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify, minimize, prevent, or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot or bacteria. However, this paragraph, **E.1.b.**, does not negate the coverage set forth in Building Air-out And Related Air Testing, provided such coverage applies; or
- c. You were required to comply with before the loss (even if the property was undamaged) and you failed to comply.

2. Costs covered under **Building Ordinance Coverage** or any other section of this policy.

Paragraph F. is added to Section D. LIMITS OF INSURANCE of the Coverage Form.

F. Limits of Insurance

1. **Green Upgrades Limit(s) of Insurance** - The most we will pay in any one occurrence for the combined total of all losses and expenses covered by this **Green Upgrades Additional Coverage** endorsement is **the least of:**

- a. The combined total amount of the actual losses and expenses covered by this **Green Upgrades Additional Coverage** as determined in accordance with all applicable provisions of this endorsement;
- b. The applicable **Green Upgrades Limit(s) of Insurance** shown in the Schedule below; or
- c. The amount determined per **F.2.** below.

The amount we pay under the **Green Upgrades Additional Coverage** is an additional amount of insurance.

2. **Green Upgrades Percentage** - The most we will pay under **F.1.c.** above will be determined by applying the following steps:

Step 1: Determine the amount to be paid for the direct physical loss of or damage to "upgrade-eligible property" on a replacement cost basis under your **Building Coverage** and/or your **Business Personal Property Coverage**.

In determining the **Step 1** replacement cost amount:

(1) Exclude:

- (a) Any costs attributable to the coverage provided under this endorsement; and
- (b) Any costs attributable to your **Building Ordinance Coverage**; and

(2) Do not subtract any deductible amount that will apply to the loss.

Step 2: Multiply the replacement cost amount determined in **Step 1** above by the **Green Upgrades Percentage** shown in the Schedule below.

3. If a location level Green Upgrades Limit of Insurance is shown in the Schedule below to apply at a specific location, the policy level Green Upgrades Limit of Insurance applies on an excess basis at that location.

Paragraphs G., H., and I. are added to Section F. CONDITIONS of the Coverage Form.

G. We will not pay under this endorsement unless the property is actually repaired or replaced at the same or another premises, and unless the repairs or replacement including "green upgrades" are made as soon as reasonably possible after the loss or damage, not to exceed **two years** after the date on which the physical loss or damage took place. We may extend the **two-year** period in writing during the **two years**.

If the property is being relocated to another premises, the most we will pay for "green upgrades" is the cost of "green upgrades" at the original premises, subject to all other terms and conditions of this endorsement.

H. If you elect not to make a "green upgrade" in the course of necessary repair or replacement of the property that has sustained loss or damage, we will settle the loss to such property in accordance with the applicable terms and conditions of this policy excluding this endorsement.

I. If the Coinsurance Option applies, it does not apply to the coverage provided under this endorsement, but continues to apply with respect to the amount of coverage shown in the Declarations for the Covered Property subject to this endorsement.

Paragraph J. is added to Section G. DEFINITIONS of the Coverage Form.

J. Definitions

The meanings given under this Paragraph **J.** apply only to the coverage provided under this endorsement.

GREEN

"Green" means enhanced energy efficiency or use of environmentally-preferable, sustainable materials, products or methods in design, construction, manufacture or operation, as recognized by a "green standards-setter".

GREEN STANDARDS-SETTER

"Green standards-setter" means a nationally recognized organization or governmental agency, produces and maintains guidelines related to "green" products and practices. "Green standards-setters" include but are not limited to:

1. The Leadership in Energy and Environmental Design (LEED®) program of the U.S. Green Building Council;
2. ENERGY STAR, a joint program of the U.S. Environmental Protection Agency and the U.S. Department of Energy; and
3. Green Globes™, a program of the Green Building Initiative.

GREEN UPGRADES

"Green upgrades" means reasonable additional costs to repair or replace lost or damaged parts of the "upgrade-eligible property", as necessary, with "green" materials and products which are otherwise similar in functionality and quality to the damaged property.

UPGRADE-ELIGIBLE PROPERTY

"Upgrade-eligible property" means Covered Property:

1. To which replacement cost valuation applies;
2. That is located at a premises described in the Declarations; and
3. That is:
 - a. Your Building property; or
 - b. Your Business Personal Property, but not:
 - (1) Property of others that is in your care, custody or control;
 - (2) Personal effects owned by your, your officers, your partners, your "members", your "managers" or your "employees";
 - (3) Leased personal property for which you have a contractual responsibility to insure;
 - (4) "Stock" or "finished stock";
 - (5) Production tools and equipment or other "tools and equipment" not used in support or building systems; or
 - (6) Property in transit.

SCHEDULE*

Policy Level Green Upgrades Limit of Insurance _____
Green Upgrades Percentage _____ %

Location	Location Level Green Upgrades Limit Of Insurance

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

All other terms and conditions remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BROAD WATER EXCLUSION

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY PLUS COVERAGE FORM

A. As indicated in the Schedule below:

Subparagraph **b.(1)(f) Water** of paragraph **1. General Causes of Loss** in Section **B. CAUSES OF LOSS**, is amended per the following:

- 1. Surface Water** – Where **Surface Water** is indicated to be excluded in the Schedule below, sub-paragraph (i) of **b.(1)(f) Water** of paragraph **1. General Causes of Loss** in Section **B. CAUSES OF LOSS**, is amended to add Surface Water to the types of water excluded by the **Water** exclusion:
- 2. Backup Water** – Where **Backup Water** is indicated to be excluded in the Schedule below, sub-paragraph **b.(1)(f) Water** of paragraph **1. General Causes of Loss** in Section **B. CAUSES OF LOSS**, is amended to add the following adding Backup Water to the types of water excluded by the **Water** exclusion:

Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment.

- 3. Underground Water** – Where **Underground Water** is indicated to be excluded in the Schedule below, sub-paragraph **b.(1)(f) Water** of paragraph **1. General Causes of Loss** in Section **B. CAUSES OF LOSS**, is amended to add the following adding Underground Water to the types of water excluded by the **Water** exclusion:

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.

- B. If form VCP 373 is attached to this policy, the Limited Coverage for Backup of Sewers, Drains or Sumps does not apply to any location where Backup Water is excluded by this endorsement.**

Locations	SCHEDULE* Surface Water	Backup Water	Underground Water
All Locations, Except:	EXCLUDED NO EXCEPTIONS	EXCLUDED EXCEPT PER VCP 373	EXCLUDED NO EXCEPTIONS

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

All other terms and conditions remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW MEXICO AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

SPECIAL PROPERTY PLUS COVERAGE FORM

Section **A. COVERAGE**, paragraph **12. Loss Expense and Protection Coverages**, subparagraph **e. Emergency Response Service Charge Coverage** is deleted in its entirety.

SCHEDULE 4

Effective 07/01/2018 , this schedule forms a part of Policy No. 791-00-08-54-0003
(At the time stated in the policy)

issued to

MIDDLE RIO GRANDE CONSERVANCY DISTRICT

Producer: HUB INTERNATIONAL INSURANCE SERVICES,
INC.

by Atlantic Specialty Insurance Company

Liability Coverage Part Declarations, ASC 00 05 01 98, Continued:

Forms Applicable to the Liability Coverage Part:

ASC 00 05 01 98	LIABILITY COVERAGE PART DEC
CG 21 75 01 15	EXCLUSION OF CERTIFIED ACTS OF TERRORISM & OTHER TERRORISM
GRS GL 101 01 16	COMMERCIAL GENERAL LIABILITY COVERAGE FORM
GRS GL 202 01 16	EXCL - HEALTH CARE & SOCIAL SERVICES LIABILITY
GRS GL 210 01 16	EXCL - ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION AND DATA RELATED LIABILITY; COMPUTER OR COMPONENTS; NETWORK SECURITY OR HACKING EVENT
GRS GL NM 02 09 07	NM CHANGES - YOUR RIGHT TO CLAIM INFORMATION
VCG 100 10 98	LIABILITY SCHEDULE
ASC 00 11 01 98	Schedule 4 - LIABILITY FORMS LIST

3 5-72-0075 07/24/2018 P1B CPW PR 1.000

LIABILITY COVERAGE PART DECLARATION

Limits of Insurance

General Aggregate	\$4,000,000
Products/Completed Operation Aggregate	\$4,000,000
Coverage A Bodily Injury and Property Damage	\$2,000,000 Each Occurrence
Coverage B Personal and Advertising Injury	\$2,000,000
Coverage A & B Loss Only Deductible	\$5,000 Each Occurrence or Offense
Damage to Premises Rented to You	\$1,000,000 Each Occurrence
Coverage C Health Care and Social Services	Not Covered
Medical Expense	Not Covered
Sexual Abuse	\$1,000,000 Each Occurrence

Forms applicable to the Liability Coverage Part:

See ASC 00 11 01 98, Schedule 4

3 5-72-0075 07/24/2018 P1B CPW PR 1.000

CLASS	CLASS DESCRIPTION LOCATION AND PREMIUM BASIS
41702	Dam, Lake, Pond, or Reservior Existence Hazard without Structural Failure Subline(s): 334 Premises/Operations <div> <div>Loc Bldg</div> <div>2 1</div> <div>Acre Feet Subline(s)</div> <div>2,003 334</div> </div>
44116	Special purpose government risks (excluding schools) organized as special districts, municipal authorities, associations, mutual entities or co-operatives Subline(s): 334 Premises/Operations <div> <div>Loc Bldg</div> <div>1 1</div> <div>Subline(s)</div> <div>334</div> </div>
44131	Irrigation Ditch - Existence Hazard Subline(s): 334 Premises/Operations <div> <div>Loc Bldg</div> <div>2 1</div> <div>Subline(s)</div> <div>334</div> </div>

Note: See reverse side for definition of premium basis

Definition of Premium Basis

When used as a premium basis:

"admissions" means the total number of persons, other than employees of the named insured, admitted to the event insured or to events conducted on the premises whether on paid admission tickets, complimentary tickets or passes.

"cost" means total cost of all work let or sublet in connection with each specific project including: the cost of all labor, materials and equipment furnished, used or delivered for use in the execution of the work and all fees, bonuses or commissions made, paid or due.

"area" means the total number of square feet or floor space at the insured premises.

"payroll" means remuneration (all money or substitutes for money) earned during the policy period by proprietors and by all employees of the named insured subject to any overtime earnings or limitation of payroll rule applicable in accordance with the manuals in use by the Company.

"sales" means the gross amount charged by the named insured, concessionaires of the named insured or by other trading under the insured's name for all goods or products sold or distributed, for operations performed during the policy period and for rentals subject to the limitation sales rule applicable in accordance with the manuals in use by the Company.

"each" means a unit of exposure whose quantity is indicated in the classification footnotes in the manual used by the Company, such as "per person."

"unit" (primarily applicable to apartment buildings and condominiums) means a single room or group of rooms intended for occupancy as separate living quarters by a family, by a group of unrelated persons living together or by a person living alone.

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

for Government Risks

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered. We have no duty to provide coverage unless there has been full compliance with all the **SECTION IV – GENERAL LIABILITY CONDITIONS**.

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

The word "insured" means any person or organization qualifying as such under **SECTION II – WHO IS AN INSURED**.

Other words and phrases that appear in quotation marks have special meaning. Refer to **SECTION V – DEFINITIONS**.

SECTION I – COVERAGES

COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

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

- (1) The amount we will pay for damages is limited as described in **SECTION III – LIMITS OF INSURANCE**; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages **A**, **B** or **C** or medical expenses under Coverage **D**.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **SUPPLEMENTARY PAYMENTS – COVERAGES A, B AND C**.

- b. This insurance applies to "bodily injury" and "property damage" only if:
 - (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
 - (2) The "bodily injury" or "property damage" occurs during the policy period; and
 - (3) Prior to the policy period, no insured listed under Paragraph 1. of **SECTION II – WHO IS AN INSURED** and no "employee" authorized by you to give or receive notice of an "occurrence" or "claim", knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, in whole or in part, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.
- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred, in whole or in part, by any insured listed under Paragraph 1. of **SECTION II – WHO IS AN INSURED** or any "employee" authorized by you to give or receive notice of an "occurrence" or "claim", includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of **SECTION II – WHO IS AN INSURED** or any "employee" authorized by you to give or receive notice of an "occurrence" or "claim":
- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
 - (2) Receives a written or verbal demand or "claim" for damages because of the "bodily injury" or "property damage"; or
 - (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred, in whole or in part, or has begun to occur, changed, continued or resumed.

2. Exclusions

This insurance does not apply to:

a. Expected Or Intended Injury Or Damage

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

b. Aircraft, Auto Or Watercraft

(1) Unmanned Aircraft

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

This Paragraph **b.(1)** applies even if the "claim" against any insured alleges negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft".

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

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

This Paragraph **b.(2)** applies even if the "claim" against any insured alleges negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft (other than "unmanned aircraft"), "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This Paragraph **b.(2)** does not apply to:

- (a) A watercraft while ashore on premises you own or rent;
- (b) A watercraft you do not own that is not being used to carry persons or property for a charge;
- (c) A watercraft you own that is not powered by a motor, or powered by a motor or a combination of motors of 300 horsepower or less, or a personal watercraft;
- (d) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (e) Liability assumed by you under an "insured contract" for the ownership, maintenance or use of aircraft or watercraft, provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement; or
- (f) "Bodily injury" or "property damage" arising out of:

- (i) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged or designated as covered autos under your Automobile liability insurance; or
 - (ii) The operation of any of the machinery or equipment listed in Paragraph **f.(2)** or **f.(3)** of the definition of "mobile equipment".
 - (g) An aircraft chartered with crew and pilot. This exception does not apply if the aircraft is owned by you or the aircraft is being used to carry any person or property for a charge.
- c. Asbestos, Nuclear**
- "Bodily injury" or "property damage" arising directly or indirectly out of, or in any way related to:
- (1) Any asbestos or asbestos-containing materials; or
 - (2) Any radioactive matter or nuclear material.
- d. Contractual Liability**
- "Bodily injury" or "property damage" for which any insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:
- (1) That the insured would have in the absence of the contract or agreement; or
 - (2) Assumed by you in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
 - (b) Such attorneys' fees and litigation expenses are for defense of that party against a "suit" in which damages to which this insurance applies are alleged.
- e. Dam, Reservoir or Levee Structural Failure or Collapse**
- "Bodily injury" or "property damage" arising directly or indirectly out of, or in any way related to the structural failure, collapse, bursting, flooding, cracking, settling, seepage, underseepage, subsidence, landslide or earth movement of any dam, reservoir or levee.
- This exclusion does not apply to "bodily injury" or "property damage" arising out of the structural failure, collapse, bursting, flooding, cracking, settling, subsidence, landslide or earth movement of any dam, reservoir or levee which is scheduled in the policy declarations.
- f. Damage To Impaired Property Or Property Not Physically Injured**
- "Property damage" to "impaired property" or property that has not been physically injured, arising directly or indirectly out of, or in any way related to:
- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
 - (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.
- This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.
- g. Damage To Property**
- "Property damage" to:
- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of

such property for any reason, including prevention of injury to a person or damage to another's property;

- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 30 or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in **SECTION III – LIMITS OF INSURANCE**.

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

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

Paragraph (5) of this exclusion does not apply to "property damage" resulting from actions taken to protect persons or property by your fire, ambulance or rescue services.

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

h. Damage To Your Product

"Property damage" to "your product" arising directly or indirectly out of, or in any way related to it or any part of it.

i. Damage To Your Work

"Property damage" to "your work" arising directly or indirectly out of, or in any way related to it or any part of it and included in the "products-completed operations hazard".

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

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

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

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

k. Electronic Data

"Bodily injury" or "property damage" arising directly or indirectly out of, or in any way related to the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate "electronic data".

l. Eminent Domain or Condemnation

"Bodily injury" or "property damage" arising directly or indirectly out of, or in any way related to any impairment, deprivation or destruction of property, including loss of use or diminution in value thereof, resulting from proceedings in eminent domain or from inverse condemnation, by whatever name called.

m. Employer's Liability

"Bodily injury" to:

(1) An "employee" or elected or appointed official of any insured arising out of and in the course of:

(a) Employment by any insured; or

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

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

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

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

n. Employment Practices and Employee Benefit Plans

"Bodily injury" or "property damage" arising directly or indirectly out of, or in any way related to your "employment practices" or "administration" of your "employee benefit plans".

o. Failure to Supply

"Bodily injury" or "property damage" arising directly or indirectly out of, or in any way related to the failure to adequately supply electricity, gas, oil, steam, or water service.

However, we won't apply this exclusion if the failure to supply results from the sudden and accidental injury to tangible property owned or used by any insured to obtain, produce, process or transmit such service.

Nor will we apply this exclusion if there is a Failure to Supply limit greater than zero shown in the Declarations.

p. Fungi or Bacteria

(1) "Bodily injury" or "property damage" arising directly or indirectly out of, or in any way related to the actual, alleged, or threatened inhalation of, ingestion of, contact with, dispersal, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.

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

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

q. Health Care and Social Services

"Bodily injury" arising directly or indirectly out of, or in any way related to a "health care and social services wrongful act", or services provided by any medical doctor, wherever provided.

r. Law Enforcement Activity

"Bodily injury" or "property damage" arising directly or indirectly out of, or in any way related to any "law enforcement activity".

s. Liquor Liability

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

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

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

- (a) The supervision, hiring, employment, training or monitoring of others by that insured; or
- (b) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

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

However, this exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.

t. Mobile Equipment

"Bodily injury" or "property damage" arising directly or indirectly out of, or in any way related to:

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

u. Personal And Advertising Injury

"Bodily injury" or "property damage" arising directly or indirectly out of, or in any way related to "personal and advertising injury".

v. Pollution

- (1) "Bodily injury" or "property damage" arising directly or indirectly out of, or in any way related to the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time:
 - (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
 - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
 - (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
 - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
 - (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;

- (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
 - (i) Any insured; or
 - (ii) Any person or organization for whom you may be legally responsible; or
- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
 - (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
 - (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
 - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- (2) Any loss, cost or expense arising directly or indirectly out of, or in any way related to any:
 - (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
 - (b) Any "claim" by or on behalf of a governmental authority because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph (2) does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such "claim" by or on behalf of a governmental authority.

- (3) This exclusion does not apply to "bodily injury" or "property damage" that results from:
 - (a) Chemicals you use in your sewage treatment, swimming pool maintenance, or water purification operations; or
 - (b) Natural gas or propane gas you use in your sewage treatment, swimming pool maintenance, or water purification operations; or
 - (c) The application of any pesticide or herbicide by or for you if such application or use meets all legal or license requirements of any governmental agency or authority which apply to it.

Also, we won't apply this exclusion to "bodily injury" or "property damage" that results from the application or use of any "pollutants" in the providing of:

- (d) "Potable water" which you supply to others; or

- (e) Urgent response for the protection of property, human life, health or safety conducted away from premises owned by or rented to or regularly occupied by you; or
 - (f) "Training operations" by you; or
 - (g) Water runoff from the cleaning of equipment used in an "emergency service activity".
- (4) This exclusion does not apply to "bodily injury" or "property damage" to a building or its contents if such "bodily injury" or "property damage" is caused by the escape or back-up of sewage or waste water from any sewage treatment facility or fixed conduit or piping that you own, operate, lease, control or for which you have the right of way, but only if "bodily injury" or "property damage" occurs away from land you own or lease; and does not result from any corrosive or radioactive "pollutants" in the sewage or waste water.

Paragraphs (3) and (4) of this exclusion only apply if the discharge is accidental, unintended and stopped as soon as possible. The entirety of any discharge or series of related discharges will be deemed a single discharge regardless of the length of time over which the "pollutants" are released. The entirety of any discharge or series of related discharges will be deemed to have occurred at the date the earliest discharge commenced.

Discharge as used in this exclusion includes dispersal, seepage, migration, release or escape.

w. Recall Of Products, Work Or Impaired Property

"Bodily injury" or "property damage" arising directly or indirectly out of, or in any way related to loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

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

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

x. Sexual Harassment

"Bodily injury" arising directly or indirectly out of, or in any way related to "sexual harassment" of any person.

y. Sexual Abuse

"Bodily injury" arising directly or indirectly out of, or in any way related to "sexual abuse" of any person or the negligent:

- (1) Employment;
- (2) Investigation;
- (3) Supervision;
- (4) Reporting to the proper authorities, or failing to so report; or
- (5) Retention;

of any person who actually or allegedly committed or attempted to commit "sexual abuse" for whom any insured is or ever was legally responsible.

However, we won't apply this exclusion to you, if there is a Sexual Abuse limit greater than zero shown in the Declarations.

z. Volunteer Firefighters

"Bodily injury" or "property damage" to any volunteer firefighter, emergency medical services, first aid, or rescue squad volunteer, that results from his or her duties as a volunteer for you or anyone else.

aa. War

"Bodily injury" or "property damage", however caused, arising directly or indirectly out of, or in any way related to:

- (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.

bb. Workers' Compensation And Similar Laws

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

cc. Aviation & Airports

Any loss, cost or expense arising directly or indirectly out of, or in any way related to aviation or the ownership, maintenance, use, operations or services of any "airport".

dd. Hospitals

Any loss, cost or expense arising directly or indirectly out of, or in any way related to the:

- (1) Performing of or failure to perform any services at any hospital; or
- (2) The ownership, maintenance, use or operations of any hospital.

ee. Nursing, Assisted Living, Senior, Hospice, Long-Term Care Or Retirement Homes Or Facilities

Any loss, cost or expense arising directly or indirectly out of, or in any way related to the:

- (1) Performance of or failure to perform any services at any nursing, assisted living, senior citizen, hospice, long-term care, retirement home or similar residential facility; or
- (2) Ownership, maintenance, use or operations of any such facility.

Exclusions **b., f., g., h., i., m., r., s., t., w., aa.** and **bb.** do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in **SECTION III – LIMITS OF INSURANCE**.

COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement

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

- (1) The amount we will pay for damages is limited as described in **SECTION III – LIMITS OF INSURANCE**; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages **A, B** or **C** or medical expenses under Coverage **D**.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **SUPPLEMENTARY PAYMENTS – COVERAGES A, B AND C**.

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

2. Exclusions

This insurance does not apply to:

a. **Knowing Violation Of Rights Of Another**

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

This exclusion does not apply to "personal and advertising injury" caused by malicious prosecution.

b. **Breach Of Contract**

"Personal and advertising injury" arising directly or indirectly out of, or in any way related to breach of contract, except an implied contract to use another's advertising idea in your "advertisement"; or any "claim" against any insured arising directly or indirectly out of, or in any way related to tortious interference with a contract or business relations.

c. **Contractual Liability**

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

d. **Criminal Acts**

"Personal and advertising injury" arising directly or indirectly out of, or in any way related to a criminal act committed by or at the direction of the insured.

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

"Personal and advertising injury" arising directly or indirectly out of, or in any way related to any action or omission that violates or is alleged to violate;

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

f. **Electronic Chatrooms, Bulletin Boards Or Web Logs**

"Personal and advertising injury" arising directly or indirectly out of, or in any way related to electronic chatrooms, bulletin boards or web logs any insured hosts, owns, or over which any insured exercises control.

g. **Eminent Domain or Condemnation**

"Personal and advertising injury" arising directly or indirectly out of, or in any way related to any impairment, deprivation or destruction of property, including loss of use or diminution in value thereof, resulting from proceedings in eminent domain or from inverse condemnation, by whatever name called.

h. **Employment Practices**

"Personal and advertising injury" arising directly or indirectly out of, or in any way related to your "employment practices" or "administration" of your "employee benefit plan".

i. **Health Care and Social Services**

"Personal and advertising injury" arising directly or indirectly out of, or in any way related to a "health care and social services wrongful act", or services provided by any medical doctor, wherever provided, or any services provided by a nurse at a nursing home, hospice or similar residential facility.

j. **Infringement Of Copyright, Patent, Trademark Or Trade Secret**

"Personal and advertising injury" arising directly or indirectly out of, or in any way related to the infringement of copyright, patent, trademark, trade dress, trade name, trade secret or other intellectual

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

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

k. Insureds In Media And Internet Type Businesses

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

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

However, this exclusion does not apply to Paragraphs **24.a.**, **b.** and **c.** of "personal and advertising injury" under the Definitions Section.

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

l. Law Enforcement Activity

"Personal and advertising injury" arising directly or indirectly out of, or in any way related to any "law enforcement activity".

m. Material Published Prior To Policy Period

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

n. Material Published With Knowledge Of Falsity

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

o. Pollution

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

p. Pollution-related

"Personal and advertising injury" arising directly or indirectly out of, or in any way related to any:

- (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Any "claim" 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".

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

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

r. Sexual Harassment

"Personal and advertising injury" arising directly or indirectly out of, or in any way related to "sexual harassment" or "sexual abuse".

s. Unauthorized Use Of Another's Name Or Product

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

t. Volunteers

"Personal and advertising injury" to any volunteer firefighter, emergency medical services, first aid, or rescue squad volunteer, that results from his or her duties as a volunteer for you or anyone else.

u. War

"Personal and advertising injury", however caused, arising directly or indirectly out of, or in any way related to:

- (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.

v. Wrong Description Of Prices

"Personal and advertising injury" arising directly or indirectly out of, or in any way related to the wrong description of the price of goods, products or services stated in your "advertisement".

w. Unmanned Aircraft

"Personal and advertising injury" arising out of the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft". Use includes operation and "loading or unloading".

This exclusion applies even if the "claim" against any insured alleges negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the offense which caused the "personal and advertising injury" involved the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft".

This exclusion does not apply to:

- (1) The use of another's advertising idea in your "advertisement"; or
- (2) Infringing upon another's copyright, trade dress or slogan in your "advertisement".

COVERAGE C – HEALTH CARE AND SOCIAL SERVICES LIABILITY

1. Insuring Agreement

- a.** We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" arising out of a "health care and social services wrongful act" if a limit for Coverage **C** is shown in the Declarations. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for a "healthcare and social services wrongful act" to which this insurance does not apply. We may at our discretion investigate any "health care and social services wrongful act" and settle any "claim" that may result. But:

- (1) The amount we will pay for damages is limited as described in **SECTION III – LIMITS OF INSURANCE**; and

- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided under **SUPPLEMENTARY PAYMENTS – COVERAGES A, B AND C** or medical expenses under **COVERAGE D**.

- b. This insurance applies to damages because of "bodily injury" arising out of a "health care and social services wrongful act" only if:
- (1) The damages are caused by a "health care and social services wrongful act" arising out of your operations; and
 - (2) The "health care and social services wrongful act" takes place in the "coverage territory" during the policy period.

2. Exclusions

All exclusions under **COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY** apply to this **COVERAGE C**, except that exclusion q. **Health Care and Social Services** under **COVERAGE A** will not apply.

All exclusions under **COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY** apply to this **COVERAGE C**, except that exclusion i. **Health Care and Social Services** under **COVERAGE B** will not apply.

In addition, this insurance does not apply to:

a. **Medical Doctors**

Any loss, cost or expense arising directly or indirectly out of, or in any way related to the performance of or failure to perform any professional medical services by any medical doctor, wherever provided.

b. **Fraudulent, Dishonest, Criminal Or Malicious Acts Or Willful Violations**

Any loss, cost or expense arising directly or indirectly out of, or in any way related to any fraudulent, dishonest, criminal or malicious act or the willful violation of any statute, ordinance or regulation committed by or with the knowledge of the insured. However, we will defend the insured for a "suit", subject to the other terms of this coverage part, until either a final judgment or adjudication establishes such an act or willful violation, or the insured confirms such act or willful violation.

c. **Jail Nurses Or Other Medical Worker At A Jail**

Any loss, cost or expense arising directly or indirectly out of, or in any way related to the performance of or failure to perform any services by a jail nurse or other medical worker at a jail.

COVERAGE D – MEDICAL PAYMENTS

1. Insuring Agreement

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

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

provided that:

- (a) The accident takes place in the "coverage territory" and during the policy period;
- (b) The expenses are incurred and reported to us within one year of the date of the accident; and

- (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.
- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:
 - (1) First aid administered at the time of an accident;
 - (2) Necessary medical, surgical, X-ray and dental services, including prosthetic devices; and
 - (3) Necessary ambulance, hospital, professional nursing and funeral services.

2. Exclusions

We will not pay expenses for "bodily injury":

- a. **Any Insured**

To any insured, except "volunteer workers".

- b. **Correctional And Similar Facilities**

To a person injured while being detained, held, or imprisoned in any correctional facility, jail, penal institution, penitentiary, prison, or similar facility.

- c. **Day Camps Or Overnight Camps**

To a person injured while attending or taking part in any day or overnight camp which you operate or sponsor.

- d. **Day Care Centers**

To a person injured while attending or being cared for in any adult or child day care center.

- e. **Hired Person**

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

- f. **Injury On Normally Occupied Premises**

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

- g. **Products-Completed Operations Hazard**

Included within the "products-completed operations hazard".

- h. **Recreation Programs And Athletics Activities**

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

- i. **Workers' Compensation And Similar Laws**

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

- j. **Coverage A Exclusions**

Excluded under Coverage A.

YOUR DEDUCTIBLE – COVERAGES A, B AND C

Our obligation to pay damages on your behalf applies only to the amount of damages in excess of any Deductible Amount shown in the Declarations for Coverage A Property Damage Each Occurrence, Coverage A and Coverage B Each Occurrence or Each Offense, or Coverage C Each Wrongful Act. **SUPPLEMENTARY PAYMENTS – COVERAGES A, B AND C** will not be reduced by the application of the Deductible Amount.

1. Limits of Insurance applicable to each occurrence, offense or wrongful act will not be reduced by the Deductible Amount. Aggregate limits applicable to Coverage **A**, Coverage **B** or Coverage **C** will not be reduced by the application of the Deductible Amount.
2. The Deductible Amount applies only to damages for each occurrence, offense or wrongful act regardless of the number of insureds, persons, or organizations making "claims" or "claims" made because of such occurrence, offense or wrongful act.
3. The terms of this insurance, including those with respect to:
 - a. Our right and duty to defend any "suits" seeking those damages; and
 - b. Your duties in the event of an occurrence, offense, wrongful act or "claim";apply irrespective of the application of the Deductible Amount.
4. We may pay any part or all of the Deductible Amount to effect settlement of any "claim" and, upon notification of the action taken; you shall promptly reimburse us for such part of the Deductible Amount paid by us.

SUPPLEMENTARY PAYMENTS – COVERAGES A, B AND C

1. We will pay, with respect to any "claim" we investigate or settle, or any "suit" against an insured we defend,
 - a. All expenses we incur.
 - b. Up to \$2,500 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds, nor will we be a principal under these bonds.
 - c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds, nor will we be a principal under these bonds.
 - d. All reasonable expenses incurred by the insured at our request to assist us in the investigation of a "claim" or defense of a "suit", including actual loss of earnings up to \$1,000 a day because of time off from work.
 - e. All court costs taxed against the insured in the "suit", but only for that portion of the judgment we are obligated to pay. However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured. Instead, those costs, if awarded or paid in a settlement for a covered "claim", will be subject to **SECTION III – LIMITS OF INSURANCE**.
 - f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
 - g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.
 - h. The costs of any required appeal bond, but only for bond amounts for that portion of the judgment that is for damages that we are obligated to pay and which are within the applicable limit of insurance. We will pay or reimburse you for the cost of higher appeal bond amounts if we are required to do so. We do not have to furnish these bonds, nor will we be a principal under these bonds.

These payments will not reduce the limits of insurance. However, our duty to make such payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
 - a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
 - b. This insurance applies to such liability assumed by the insured;
 - c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
 - d. The allegations in the "suit" and the information we know about the "occurrence", offense, or "health care and social services wrongful act" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
 - e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
 - f. The indemnitee:
 - (1) Agrees in writing to:
 - (a) Cooperate with us in the investigation, settlement or defense of the "suit";
 - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
 - (c) Notify any other insurer whose coverage is available to the indemnitee; and
 - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
 - (2) Provides us with written authorization to:
 - (a) Obtain records and other information related to the "suit"; and
 - (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph **2.d.(2)** of Section **I – Coverage A – Bodily Injury And Property Damage Liability**, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

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

SECTION II – WHO IS AN INSURED

1. If you are designated in the Declarations as:
 - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
 - b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
 - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.

- d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
 - e. If you are designated in the Declarations as a governmental unit, you are an insured. Your operating authorities, boards, commissions, districts or any other governmental units are an insured, provided that you operate, control, and fund the authority, board, commission, district or any other governmental unit and to which no other similar insurance is available, but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.
 - f. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.
2. Each of the following is also an insured:
- a. Your current or previously elected or appointed officials while performing duties related to the conduct of your business.
 - b. Your current or previously elected or appointed officials of your operating authorities, boards, commissions, districts or any other governmental units, but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.
 - c. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:
 - (1) "Bodily injury" or "personal and advertising injury":
 - (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
 - (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1)(a) above;
 - (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph (1)(a) or (b) above; or
 - (d) Arising out of his or her providing or failing to provide professional health care services unless that person is not a medical doctor or nurse; and is acting as a good Samaritan in response to an accident or public emergency. This subparagraph does not apply to Coverage C.
 - (2) "Property damage" to property:
 - (a) Owned, occupied or used by; or
 - (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;

you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).
 - d. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.
 - e. Any person or organization having proper temporary custody of your property if you die, but only:
 - (1) With respect to liability arising out of the maintenance or use of that property; and
 - (2) Until your legal representative has been appointed.
 - f. Upon death of an insured, that insured's legal representative, but only with respect to duties as such. That representative will have all the rights and duties of such insured under this Coverage Part.

3. If you are an organization other than a partnership or joint venture, any organization you newly acquire or form over which you exercise controlling interest and actively manage and to which no other similar insurance is available will be deemed to be a named insured.
 - a. Coverage **A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization;
 - b. Coverage **B** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization; and
 - c. Coverage **C** does not apply to injury arising out of a "health care and social services wrongful act" committed before you acquired or formed the organization.
 4. Any person or organization with whom you agreed, because of a written contract or written agreement to provide insurance is an insured.
 - a. The above applies only with respect to "your work", "your product" or premises owned or used by you.
 - b. The above does not apply unless the written contract or written agreement has been executed prior to the "bodily injury", "property damage", or "personal and advertising injury".
 - c. The Limits of Insurance applicable to the additional insured are those specified in the written contract or written agreement in the Declarations for this policy, whichever are less. The Limits of Insurance are inclusive of and not in addition to the Limits of Insurance shown in the Declarations.
- However, no such person or organization under contract is an insured for "bodily injury", "property damage", or "personal and advertising injury" that results from its sole negligence.

SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. "Claims" made; or
 - c. Persons or organizations making "claims".
2. The General Aggregate Limit is the most we will pay for the sum of all:
 - a. Medical expenses under Coverage **D**;
 - b. Damages under Coverage **A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
 - c. Damages under Coverage **B**; and
 - d. Damages under Coverage **C**.
3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage **A** for the sum of all damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to Paragraph **2.** above, the Personal And Advertising Injury Limit is the most we will pay under Coverage **B** for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
5. Subject to Paragraph **2.** or **3.** above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of all:
 - a. Damages under Coverage **A**;
 - b. Damages under Failure to Supply Coverage;
 - c. Damages under Sexual Abuse Coverage; and

d. Medical expenses under Coverage D;

because of all "bodily injury" and "property damage" arising out of any one "occurrence".

6. Subject to Paragraph 2. above, the Each Wrongful Act Limit is the most we will pay for damages under Coverage C.
7. Subject to Paragraph 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
8. Subject to Paragraph 5. above, the Medical Expense Limit is the most we will pay under Coverage D for all medical expenses because of "bodily injury" sustained by any one person.
9. If one "occurrence", offense or "health care and social services wrongful act" causes "bodily injury", "property damage", "personal and advertising injury" or injury during this policy period, which is otherwise covered, and during the policy period of one or more prior and/or future policies that include a general liability coverage part for the insured issued by us or any affiliated insurance company, which is otherwise covered, the amount we will pay is limited as follows: This policy's Each Occurrence Limit, or Each Offense Limit or Each Health Care and Social Services Limit will be reduced by the amount of each payment made by us and any affiliated insurance company under the other policies because of such "occurrence", offense or "health care and social services wrongful act".

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

SECTION IV – GENERAL LIABILITY CONDITIONS

1. Bankruptcy

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

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

- a. You must see to it that we are notified as soon as practicable of an "occurrence", offense or wrongful act which may result in a "claim". To the extent possible, notice should include:
 - (1) How, when and where the "occurrence", offense or wrongful act took place;
 - (2) The names and addresses of any injured persons and witnesses; and
 - (3) The nature and location of any injury or damage arising out of the "occurrence", offense or wrongful act.
- b. If a "claim" is made against any insured, you must:
 - (1) Immediately record the specifics of the "claim" and the date received; and
 - (2) Notify us as soon as practicable.You must see to it that we receive written notice of the "claim" as soon as practicable.
- c. You and any other involved insured must:
 - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim";
 - (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in the investigation or settlement of the "claim" or defense against the "suit"; and

(4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

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

3. Legal Action Against Us

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

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

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

4. Other Insurance

If other valid and collectible insurance is available to any insured for a loss we cover under Coverages **A**, **B** or **C** of this Coverage Part, our obligations are limited as follows:

Other Insurance means insurance, or the funding of losses, that is provided by or through:

- Another insurance company;
- Any of our affiliated insurance companies;
- Any risk retention group;
- Any self-insurance, group self-insurance, or similar risk transfer approach, other than any funded by you and to which this coverage part applies.

However, other insurance does not mean umbrella or excess insurance issued to you to apply in excess of the limits of this coverage part.

a. Primary Insurance

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

b. Excess Insurance

(1) This insurance is excess over:

(a) Any of the other insurance, whether primary, excess, contingent or on any other basis:

- (i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
- (ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
- (iii) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner;
- (iv) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion **b.** of Section **I** – Coverage **A** – Bodily Injury And Property Damage Liability; or
- (v) That is health care or social services coverage.

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

- (2) When this insurance is excess, we will have no duty under Coverages **A**, **B** or **C** to defend any insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.
- (3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:
 - (a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
 - (b) The total of all deductible and self-insured amounts under all that other insurance.
- (4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method Of Sharing

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

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

d. Risk Transfer

Whenever you enter into an agreement with another party requiring the other party to provide liability insurance to you, this Coverage Part will be excess over any other valid and collectible insurance that has been provided to you, except insurance specifically arranged to be excess of this Coverage Part.

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

5. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.
- d. We may waive this condition at our option.

6. Representations

By accepting this policy, you agree:

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

The unintentional error or omission in any information provided by you will not be deemed to be a misrepresentation. However, this provision does not affect our right to collect additional premium or to exercise our rights of cancellation or non-renewal.

7. Separation Of Insureds

Except with respect to all exclusions contained within **SECTION I – COVERAGES**, **SECTION III – LIMITS OF INSURANCE**, Paragraphs **b.(3)** and **d.(1)-(3)** of Coverage **A**, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

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

8. Transfer Of Rights Of Recovery Against Others To Us

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

9. When We Do Not Renew

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

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

SECTION V – DEFINITIONS

1. "Administration" means any of the following acts that you do or authorize a person to do:
 - a. Counseling "employees", "volunteer workers" or elected or appointed officials, other than giving legal advice, on "employee benefit plans";
 - b. Interpreting your "employee benefit plans";
 - c. Handling records for your "employee benefit plans"; and
 - d. Effecting enrollment, termination or cancellation of "employees", "volunteer workers" or elected or appointed officials under your "employee benefit plans".
2. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
 - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
3. "Airport" means a facility that provides space for aircraft to take off and land, including accommodations for passengers or cargo, any and all airfields, runways, hangars, parking lots, buildings and other properties in connection with aviation activities.
4. "Auto" means:
 - a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
 - b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.However, "auto" does not include "mobile equipment".
5. "Bodily injury" means physical harm, sickness or disease sustained by a person, including death resulting from any of these at any time. "Bodily injury" also includes mental anguish, emotional distress, or illness if the mental anguish emotional distress or illness results from such physical harm, sickness or disease at any time.

"Bodily injury" also includes loss of care or services resulting from such physical harm, sickness or disease at any time.

6. "Claim(s)" means an oral or written demand for payment of money damages, including a "suit".
7. "Coverage territory" means:
 - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
 - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph **a.** above; or
 - c. All other parts of the world if the injury or damage arises out of:
 - (1) Goods or products made or sold by you in the territory described in Paragraph **a.** above;
 - (2) The activities of a person whose home is in the territory described in Paragraph **a.** above, but is away for a short time on your business; or
 - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication;

provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in Paragraph **a.** above or in a settlement we agree to.

8. "Electronic data" means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.
9. "Emergency Service Activity" means:
 - a. All operations conducted by your firefighting, emergency medical services, or rescue squad units; and
 - b. Which are sanctioned by you.
10. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
11. "Employee benefit plan" means group life insurance, group accident or health insurance, profit sharing plans, pension plans, employee stock subscription plans, employee travel, vacation, or savings plans, workers compensation, unemployment insurance, social security and disability benefits insurance, and any other similar benefit program applying to "employees", "volunteer workers" or elected or appointed officials.
12. "Employment practices" means an actual or alleged improper employment related practice, policy, act, omission or supervision involving an actual, prospective or former "volunteer worker", "employee" or elected or appointed officials.
13. "Executive officers" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
14. "Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or by-products produced or released by "fungi".
15. "Health care and social services wrongful act" means a negligent error, omission or act:
 - a. In the performance of or failure to perform health care services by your "employee" or "volunteer worker" who is a first responder, nurse, emergency medical technician or paramedic, but only while acting within the scope of his or her duties to you and while handling a patient:
 - (1) At the place where the patient is accepted for movement into or onto a means of transport to a medical facility;
 - (2) During transport to a medical facility; or
 - (3) During movement from the means of transport into the medical facility where the patient is delivered.
 - b. In the performance of or failure to perform social services by your "employee" or "volunteer worker" who is licensed, certified or trained to perform social services, including counseling, advice and instruction, but only while acting within the scope of his or her duties to you and while handling a patient or client at your:

- (1) Social services department;
 - (2) Department of health and human services;
 - (3) Health clinic; or
 - (4) Substantially similar department or operation.
- c. Relating to the dispatching of, including the failure or refusal to dispatch, personnel to provide any of the services in **a.** above.
- 16.** "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
- 17.** "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
- a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement;
- if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.
- 18.** "Insured contract" means:
- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
 - b. A sidetrack agreement;
 - c. Any easement or license agreement,;
 - d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
 - e. An elevator maintenance agreement;
 - f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.
- Paragraph **f.** does not include that part of any contract or agreement:
- (1) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
 - (2) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in Paragraph **(1)** above and supervisory, inspection, architectural or engineering activities.
- 19.** "Law enforcement activity(ies)" means:
- a. Any official activity conducted in the course of your law enforcement operations;
 - b. Any officially sanctioned off-duty activity conducted in the course of law enforcement operations;
 - c. Ownership, maintenance, operation or use of any premises by your law enforcement operations;
 - d. Any criminal prosecution activity by judicial officers, prosecution attorneys and their staff, including public defenders, criminal defense attorneys and their staff; or
 - e. Emergency services dispatch operations conducted by you.

20. "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".
21. "Loading or unloading" means the handling of property:
- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
 - b. While it is in or on an aircraft, watercraft or "auto"; or
 - c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;
- but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".
22. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
 - b. Vehicles maintained for use solely on or next to premises you own or rent;
 - c. Vehicles that travel on crawler treads;
 - d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
 - e. Vehicles not described in Paragraph **a.**, **b.**, **c.** or **d.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (2) Cherry pickers and similar devices used to raise or lower workers;
 - f. Vehicles not described in Paragraph **a.**, **b.**, **c.** or **d.** above maintained primarily for purposes other than the transportation of persons or cargo.
- However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":
- (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning;
 - (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.
- However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged or designated as covered autos under your automobile liability insurance. Instead, those land vehicles are considered "autos".
23. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
24. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

- a. False arrest, detention or imprisonment;
 - b. Malicious prosecution;
 - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
 - d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
 - f. The use of another's advertising idea in your "advertisement"; or
 - g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".
- 25.** "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- 26.** "Potable water" means water intended and provided for human consumption.
- 27.** "Products-completed operations hazard":
- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
 - (1) Products that are still in your physical possession; or
 - (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
 - (a) When all of the work called for in your contract has been completed.
 - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
 - (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.
 Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.
 - b. Does not include "bodily injury" or "property damage" arising out of:
 - (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
 - (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
 - (3) Products or operations for which the classification, listed in the Declarations or in a policy Schedule, states that products-completed operations are subject to the General Aggregate Limit.
- 28.** "Property damage" means:
- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
 - b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.
- For the purposes of this insurance, "electronic data" is not tangible property.
- 29.** "Sexual Abuse" means any actual, attempted or alleged sexual conduct by a person, or by persons acting in concert, which causes injury. "Sexual abuse" includes sexual molestation, sexual assault, sexual exploitation or sexual injury, but does not include "sexual harassment".
- 30.** "Sexual harassment" means any actual, attempted, or alleged unwelcome sexual advances, requests for sexual favors, or other conduct of a sexual nature by a person, or persons acting in concert, which causes injury. "Sexual harassment" includes:

- a. The above conduct when submission to or rejection of such conduct is made either explicitly or implicitly a condition of a person's employment, or a basis for employment decisions affecting a person; or
 - b. The above conduct when such conduct has the purpose or effect of unreasonably interfering with a person's work performance or creating an intimidating, hostile or offensive work environment.
- 31. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:
 - a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
 - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.
- 32. "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.
- 33. "Training Operations" means activities used to prepare, train, or instruct members of a fire department, emergency medical services unit, or rescue squad in accepted and recognized emergency procedures, including municipal, state and federal standards.
- 34. "Unmanned aircraft" means an aircraft that is not:
 - a. Designed;
 - b. Manufactured; or
 - c. Modified after manufacture;
 to be controlled directly by a person from within or on the aircraft.
- 35. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.
- 36. "Your product":
 - a. Means:
 - (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (a) You;
 - (b) Others trading under your name; or
 - (c) A person or organization whose business or assets you have acquired; and
 - (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
 - b. Includes:
 - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
 - (2) The providing of or failure to provide warnings or instructions.
 - c. Does not include vending machines or other property rented to or located for the use of others but not sold.
- 37. "Your work":
 - a. Means:
 - (1) Work or operations performed by you or on your behalf; and
 - (2) Materials, parts or equipment furnished in connection with such work or operations.
 - b. Includes:

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- (2) The providing of or failure to provide warnings or instructions.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTIFIED ACTS OF TERRORISM AND EXCLUSION OF OTHER ACTS OF TERRORISM COMMITTED OUTSIDE THE UNITED STATES

This endorsement modifies insurance provided under the following:

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

A. The following exclusion is added:

This insurance does not apply to:

TERRORISM

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

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

b. Protracted and obvious physical disfigurement; or

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

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

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

B. The following definitions are added:

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

2. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:
- a. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act;
 - b. The act resulted in damage:
 - (1) Within the United States (including its territories and possessions and Puerto Rico); or
 - (2) Outside of the United States in the case of:
 - (a) An air carrier (as defined in Section 40102 of title 49, United States Code) or United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs; or
 - (b) The premises of any United States mission; and
 - c. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
3. "Other act of terrorism" means a violent act or an act that is dangerous to human life, property or infrastructure that is committed by an individual or individuals and that appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion, and the act is not a "certified act of terrorism".
- Multiple incidents of an "other act of terrorism" which occur within a seventy-two hour period and appear to be carried out in concert or to have a related purpose or common leadership shall be considered to be one incident.
- C. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
**DELETION OF COVERAGE C – HEALTH CARE AND SOCIAL SERVICES
LIABILITY**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART (CLAIMS-MADE)

COVERAGE C – HEALTH CARE AND SOCIAL SERVICES LIABILITY of **SECTION I – COVERAGES** is deleted in its entirety.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION – ACCESS OR DISCLOSURE OF
CONFIDENTIAL OR PERSONAL INFORMATION AND
DATA-RELATED LIABILITY; COMPUTER OR COMPONENTS; NETWORK
SECURITY OR HACKING EVENT**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE PART (CLAIMS-MADE)

A. The following replaces Exclusion k., Electronic Data, of Paragraph 2., Exclusions, of SECTION I – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY:

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

"Bodily injury" or "property damage" arising directly or indirectly out of, or in any way related to:

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

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

B. The following exclusion is added to Paragraph 2., Exclusions, of SECTION I – COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY:

Access Or Disclosure Of Confidential Or Personal Information

"Personal and advertising injury" arising directly or indirectly out of, or in any way related to any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

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

C. The following exclusion is added to Paragraph 2., Exclusions, of SECTION I – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY:

Computer Or Computer Components

"Bodily injury" or "property damage" arising directly or indirectly out of, or in any way related to the creation, development, design, manufacture, programming, leasing, licensing, distribution, assembly, installation, alteration, modification or sale of any:

- (1) Computer;
- (2) Computer component, including any hardware, network, terminal device, data storage device, input and output device or back-up facility;
- (3) System, including an application, program, software, code or script; or
- (4) "Electronic data".

- D. The following exclusion is added to Paragraph 2., **Exclusions**, of **SECTION I – COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY**:

Computer Or Computer Components

"Personal and advertising injury" arising directly or indirectly out of, or in any way related to the creation, development, design, manufacture, programming, leasing, licensing, distribution, assembly, installation, alteration, modification or sale of any:

- (1) Computer;
- (2) Computer component, including any hardware, network, terminal device, data storage device, input and output device or back-up facility;
- (3) System, including an application, program, software, code or script; or
- (4) "Electronic data".

- E. The following is added to Paragraph 2., **Exclusions**, of **SECTION I – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**:

Network Security or Hacking Event

"Bodily injury" or "property damage" arising directly or indirectly out of, or in any way related to any "network security or hacking event".

- F. The following exclusion is added to Paragraph 2., **Exclusions**, of **SECTION I – COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY**:

Network Security or Hacking Event

"Personal and advertising injury" arising directly or indirectly out of, or in any way related to any "network security or hacking event".

- G. The following is added to the **DEFINITIONS SECTION**:

"Network security or hacking event" means the failure or inability of any:

- a. Computer;
- b. Computer component, including any hardware, network, terminal device, data storage device, input and output device or back-up facility; or
- c. System, including an application, program, software, code or script;
to perform or function as planned or intended, including the failure or inability of any system to prevent any hack, virus, contaminant, worm, trojan horse, logic bomb or unauthorized or unintended access or use of any such system.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW MEXICO CHANGES – YOUR RIGHT TO CLAIM INFORMATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART (CLAIMS-MADE)

The following is added to **SECTION IV – GENERAL LIABILITY CONDITIONS**

YOUR RIGHT TO CLAIM AND OCCURRENCE INFORMATION

We will provide the first Named Insured shown in the Declarations the following information relating to this and any preceding general liability claims-made Coverage Part we have issued to you during the previous three years:

- a.** A list or other record of each "occurrence", not previously reported to any other insurer, of which we were notified in accordance with paragraph **2.a.** of the Duties in the Event of Occurrence, Offense, Claim or Suit Condition (Section **IV**). We will include the date and brief description of the "occurrence" if that information was in the notice we received.
- b.** A summary by policy year, of payments made and amounts reserved, stated separately, under any applicable General Aggregate Limit and Products – Completed Operations Aggregate Limit.

We will also provide the first Named Insured shown in the Declarations the following information relating to this general liability coverage form:

- a.** The sum of all premiums charged or billed by the insurer; and
- b.** A list of all pending open claims.

Amounts reserved are based on our judgment. They are subject to change and should not be regarded as ultimate settlement values.

If we cancel or elect not to renew this Coverage Part, we will provide such information no later than 30 days before the date of policy termination, or within 60 days of the first Named Insured's written request. In other circumstances, we will provide this information only if we receive a written request from the first Named Insured within 60 days after the end of the policy period. In this case, we will provide this information within 45 days of receipt of the request.

We compile claim and "occurrence" information for our own business purposes and exercise reasonable care in doing so. In providing this information to the named insured, we make no representations or warranties to insureds, insurers, or others to whom this information is furnished by or on behalf of any insured. Cancellation or nonrenewal will be effective even if we inadvertently provide inaccurate information.

SCHEDULE 5

Effective 07/01/2018 , this schedule forms a part of Policy No. 791-00-08-54-0003
(At the time stated in the policy)

issued to

MIDDLE RIO GRANDE CONSERVANCY DISTRICT

Producer: HUB INTERNATIONAL INSURANCE SERVICES,
INC.

by Atlantic Specialty Insurance Company

Commercial Auto Coverage Part Declarations, ACA 01 03 10,
Continued:

Forms Applicable to the Auto Coverage Part:

ACA 01 03 10	BUSINESS AUTO DEC (PART I)
ACA 02 03 10	BUSINESS AUTO DEC (PART II)
ACA 03 03 10	BUSINESS AUTO DEC (PART III)
CA 00 01 10 13	BUSINESS AUTO COVERAGE FORM
CA 01 39 10 13	NM CHANGES
CA 02 50 05 15	NM CHANGES - CANCELLATION AND NONRENEWAL
CA 23 84 10 13	EXCLUSION OF TERRORISM
CA 31 29 10 13	NM UNINSURED MOTORISTS COVERAGE - NON-STACKED
CA 99 54 10 13	COVERED AUTO DESIGNATION SYMBOL
GRS CA 400 09 10	@VANTAGE FOR GOVERNMENT RISKS
IL 00 21 09 08	NUCLEAR ENERGY LIABILITY EXCL (n/a to NY or WA)
VCA U030NM1216	NEW MEXICO UNINSURED MOTORISTS COVERAGE SELECTION/REJECTION
ASC 00 11 01 98	Schedule 5 - AUTO FORMS LIST
ASC 00 11 01 98	Schedule 6 - AUTO COMPOSITE RATE SCHEDULE
ASC 00 11 01 98	Schedule 7 - UNINSURED MOTORIST

3 5-72-0075 07/24/2018 P1B CPW PR 1.000

Business Auto Declarations

(Part I)

ITEM **ONE** This Declarations Page is issued with and is part of Policy No. 791-00-08-54-0003

Business Entity: Governmental Entity

See Common Policy Declarations 4 VIL 100 for additional information.

ITEM **TWO** Schedule of Coverages and Covered Autos

This policy provides only those coverages where a charge is shown in the premium column below. Each of these coverages will apply only to those "autos" shown as covered "autos." "Autos" are shown as covered "autos" for a particular coverage by the entry of one or more of the symbols from the COVERED AUTO Section of the Business Auto Coverage Form next to the name of the coverage.

COVERAGES		COVERED AUTOS	LIMIT		PREMIUM
LIABILITY INSURANCE		1	\$ 2,000,000		\$ 1,820
PERSONAL INJURY PROTECTION (P.I.P.) (or equivalent No-fault Coverage)			Separately Stated In Each P.I.P. Endorsement Minus \$ Deductible		\$
ADDED PERSONAL INJURY PROTECTION (or equivalent Added No-fault Coverage)			Separately Stated In Each Added P.I.P. Endorsement		\$
PROPERTY PROTECTION INSURANCE (P.P.I.) (Michigan only)			Separately Stated In The P.P.I. Endorsement Minus \$ Deductible For Each Accident		\$
AUTO MEDICAL PAYMENTS INSURANCE			\$		\$
UNINSURED MOTORISTS INSURANCE		2	\$ See ASC 00 11 01 98, Schedule 7		\$ Included
UNDERINSURED MOTORISTS (When not included in Uninsured Motorists Coverage) (Not Applicable in New York)			\$		\$
PHYSICAL DAMAGE INSURANCE	COMPREHENSIVE COVERAGE	10	ACTUAL CASH VALUE OR COST OF REPAIR WHICHEVER IS LESS MINUS	\$See Deductible For Each Covered Auto, But No Deductible Applies to Loss Caused by Fire or Lightning. See Item Four for Hired or Borrowed Autos.	\$ Included
	SPECIFIED CAUSES OF LOSS COVERAGE			\$See Deductible For Each Covered Auto For Loss Caused By Mischief Or Vandalism. See Item Four for Hired or Borrowed Autos.	\$
	COLLISION COVERAGE	10		\$See Deductible For Each Covered Auto See Item Four For Hired Or Borrowed Autos	\$ Included
	TOWING AND LABOR			\$ for each disablement of a private passenger auto	\$
					\$
					\$
					\$
					\$
Estimated Total Premium Includes Composite Rated Coverages					<div>PREMIUM FOR ENDORSEMENTS ESTIMATED TOTAL PREMIUM</div>
					\$ 135,079 \$ \$136,899

ENDORSEMENTS ATTACHED TO THIS POLICY:
See ASC 00 11 01 98, Schedule 5

REFER TO COVERED AUTO SECTION OF THE BUSINESS AUTO COVERAGE FORM FOR DESCRIPTION OF COVERED AUTO DESIGNATION SYMBOLS 1 THROUGH 9.

For Symbol 10

Refer to CA 99 54 10 13 for additional Covered Auto Designation Symbols

Business Auto Declarations

(Part III)

ITEM **FOUR** Schedule of Hired or Borrowed Covered Auto Coverage and Premiums

Policy Number: 791-00-08-54-0003

Liability Coverage - Cost Of Hire Rating Basis For Autos NOT Used In Your Motor Carrier Operations (Other than Mobile or Farm Equipment)

LIABILITY COVERAGE	STATE Primary And All States	CLASS Primary And All States	ESTIMATED ANNUAL COST OF HIRE FOR EACH STATE	RATE PER EACH \$100 COST OF HIRE	FACTOR (IF LIABILITY COVERAGE IS PRIMARY)	PREMIUM
PRIMARY COVERAGE	30-66190		If Any	6.336		\$300
EXCESS COVERAGE						\$

* Subject to Evidence of Insurance

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.

TOTAL PREMIUM

\$300

PHYSICAL DAMAGE COVERAGE

COVERAGES	STATE Primary And All States	LIMIT OF INSURANCE THE MOST WE WILL PAY DEDUCTIBLE	ESTIMATED ANNUAL COST OF HIRE For Each State (Excluding Autos Hired With A Driver)	RATE PER EACH \$100 ANNUAL COST OF HIRE	PREMIUM
COMPREHENSIVE		ACTUAL CASH VALUE, OR COST OF REPAIRS, OR \$ WHICHEVER IS LESS, MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO, BUT NO DEDUCTIBLE APPLIES TO LOSS CAUSED BY FIRE OR LIGHTNING			\$
SPECIFIED CAUSES OF LOSS		ACTUAL CASH VALUE, OR COST OF REPAIRS, OR \$ WHICHEVER IS LESS, MINUS \$ 25 DEDUCTIBLE FOR EACH COVERED AUTO FOR LOSS CAUSED BY MISCHIEF OR VANDALISM			\$
COLLISION		ACTUAL CASH VALUE, OR COST OF REPAIRS, OR \$ WHICHEVER IS LESS, MINUS \$ DEDUCTIBLE FOR EACH COVERED AUTO.			\$
			TOTAL PREMIUM		\$

ITEM **FIVE** Schedule for Non-ownership Liability

NAMED INSURED'S BUSINESS	RATING BASIS	NUMBER	PREMIUM
30-660300-611-87102 OTHER THAN GARAGE SERVICE OPERATIONS AND OTHER THAN SOCIAL SERVICE AGENCIES	Number of Employees	215	\$ 1,520
	Number of Partners (Active and Inactive)		\$
SOCIAL SERVICE AGENCIES	Number of Employees		\$
	Number of Volunteers Who Regularly Use Autos To Transport Clients		\$
	Number of Partners (Active and Inactive)		\$
GARAGE SERVICE OPERATIONS	Number of Employees Whose Principal Duty Involves The Operations of Autos		\$
	Number of Partners (Active and Inactive)		\$
			\$
			\$
TOTAL PREMIUM			\$ 1,520

SCHEDULE 6

Effective 07/01/2018 , this schedule forms a part of Policy No. 791-00-08-54-0003
(At the time stated in the policy)

issued to

MIDDLE RIO GRANDE CONSERVANCY DISTRICT

Producer: HUB INTERNATIONAL INSURANCE SERVICES,
INC.

by Atlantic Specialty Insurance Company

Composite Rate - Auto Liability and Physical Damage

The earned premium for this insurance is computed by applying the Composite rates shown below to the applicable vehicles, as indicated, and is subject to final adjustment at policy anniversary, expiration, or termination, whichever comes first.

Coverage	Vehicle	Rate	Est. Premium
TRAILER LIABILITY	212		
Liability		\$435	\$92,220
Med/PIP		\$38	\$8,056
UM/UIM		\$91	\$19,292
TRUCK APD	22		
Collision		\$390	\$8,580
Comp		\$193	\$4,246

3 5-72-0075 07/24/2018 P1B CPW PR 1.000

SCHEDULE 7

Effective 07/01/2018 , this schedule forms a part of Policy No. 791-00-08-54-0003
(At the time stated in the policy)

issued to
MIDDLE RIO GRANDE CONSERVANCY DISTRICT

Producer: HUB INTERNATIONAL INSURANCE SERVICES,
INC.
by Atlantic Specialty Insurance Company

Uninsured Motorist Limits (UM)
and
Underinsured Motorist Limits (UIM)
(when not included in Uninsured Motorists Coverage)

State	Coverage	Limit	Premium
New Mexico	UM BI & PD	\$500,000	(Incl)

UM/UIM Coverage is not provided on the following vehicle(s):

Auto
No.
*

* Per Schedule on File with Company

3 5-72-0075 07/24/2018 P1B CPW PR 1.000

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.

19	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.

NEW MEXICO CHANGES

For a covered "auto" licensed or principally garaged in, or "auto dealer operations" conducted in, New Mexico, 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

1. The **Care, Custody Or Control** Exclusion B.6. contained in the Business Auto and Motor Carrier Coverage Forms is replaced by the following:

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:

- a. Liability assumed under a sidetrack agreement; or
- b. "Property damage" to or "covered pollution cost or expense" involving a motor vehicle you do not own if it is loaned:

- (1) Without a fee to the "insured" by a licensed automobile dealer for demonstration purposes, as a temporary substitute vehicle for that person's vehicle while it is being serviced or repaired, or as a promotional courtesy vehicle or courtesy vehicle; or

- (2) With a fee to the "insured" by a licensed automobile dealer or with or without a fee by anyone else for demonstration purposes, as a temporary substitute vehicle for that person's vehicle while it is being serviced or repaired, or as a promotional courtesy vehicle or courtesy vehicle and the vehicle is provided under a written statement, signed by the "insured", which contains the following language:

PRIMARY LIABILITY ASSIGNMENT

In consideration of the vehicle owner entrusting the motor vehicle elsewhere described to me, I agree that my vehicle insurance or self-insurance coverage shall be primarily responsible for any loss or damage caused by or to the motor vehicle.

2. The **Care, Custody Or Control** Exclusion 4.f. contained in the Auto Dealers Coverage Form is replaced by the following:

f. Care, Custody Or Control

"Property damage" to or "covered pollution cost or expense" involving:

- (1) Property owned, rented or occupied by the "insured";
- (2) Property loaned to the "insured";
- (3) Property held for sale or being transported by the "insured"; or
- (4) Property in the "insured's" care, custody or control.

But this exclusion does not apply to:

- (a) Liability assumed under a sidetrack agreement; or
- (b) "Property damage" to or "covered pollution cost or expense" involving a motor vehicle you do not own if it is loaned:
 - (i) Without a fee to the "insured" by a licensed automobile dealer for demonstration purposes, as a temporary substitute vehicle for that person's vehicle while it is being serviced or repaired, or as a promotional courtesy vehicle or courtesy vehicle; or
 - (ii) With a fee to the "insured" by a licensed automobile dealer or with or without a fee by anyone else for demonstration purposes, as a temporary substitute vehicle for that person's vehicle while it is being serviced or repaired, or as a promotional courtesy vehicle or courtesy vehicle and the vehicle is provided under a written statement, signed by the "insured", which contains the following language:

**PRIMARY LIABILITY
ASSIGNMENT**

In consideration of the vehicle owner entrusting the motor vehicle elsewhere described to me, I agree that my vehicle insurance or self-insurance coverage shall be primarily responsible for any loss or damage caused by or to the motor vehicle.

B. Changes In Conditions

1. The following is added to the **Other Insurance** Condition in the Auto Dealers and Business Auto Coverage Forms and the **Other Insurance – Primary And Excess Insurance Provisions** Condition in the Motor Carrier Coverage Form:

When this Coverage Form and any other Coverage Form or policy providing liability coverage apply to an "auto" and:

- a. One Coverage Form or policy provides coverage to a Named Insured who is a licensed automobile dealer; and
- b. The other Coverage Form or policy provides coverage to a person who is not engaged in that business; and

a person described in Paragraph **b.** is operating an "auto" owned by the business described in Paragraph **a.** which was loaned without a fee to that person for demonstration purposes, as a temporary substitute for that person's vehicle while it is being serviced or repaired, or as a promotional courtesy vehicle or courtesy vehicle, then the liability insurance provided by that person's Coverage Form or policy is primary and the liability insurance provided by the Coverage Form or policy issued to a business described in Paragraph **a.** is excess.

2. Paragraph **5.b.** of the **Other Insurance** Condition in the Auto Dealers and Business Auto Coverage Forms and Paragraph **5.f.** of the **Other Insurance – Primary And Excess Insurance Provisions** Condition in the Motor Carrier Coverage Form do not apply to a covered "auto" that has been provided under a written Primary Liability Assignment contained in Subsection C of Section 23, Chapter 59A, Article 32 NMSA, which has been signed by an "insured".

C. Changes In Definitions

The definition of "insured contract" is revised to include a written Primary Liability Assignment contained in Subsection C of Section 23, Chapter 59A, Article 32 NMSA where a motor vehicle is loaned with a fee to the "insured" by a licensed automobile dealer, or with or without a fee by anyone else, for demonstration purposes, as a temporary substitute for that person's vehicle while it is being serviced or repaired, or as a promotional courtesy vehicle or courtesy vehicle, and that vehicle is provided under the Primary Liability Assignment signed by the "insured".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW MEXICO CHANGES – CANCELLATION AND NONRENEWAL

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 **Cancellation** Common Policy Condition does not apply. The following condition applies instead:

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. If this Policy has been in effect less than 60 days and is not a renewal or continuation policy we issued, we may cancel for any reason by mailing or delivering written notice of cancellation to the first Named Insured at least 10 days before the effective date of cancellation, provided that the cancellation becomes effective before the Policy has been in effect for 60 days.
3. If Paragraph 2. does not apply, we may cancel only for one or more of the following reasons:
 - a. Nonpayment of premium. If we cancel for this reason, we will mail or deliver to the first Named Insured at least 10 days' notice.
 - b. There has been a substantial change in the risk assumed by us since the Policy was issued. If we cancel for this reason, we will mail or deliver to the first Named Insured at least 30 days' notice.
 - c. The Policy was obtained through material misrepresentation, fraudulent statements, omissions or concealment of fact material to the acceptance of the risk or to the hazard assumed by us. If we cancel for this reason, we will mail or deliver to the first Named Insured at least 15 days' notice.

- d. Willful and negligent acts or omission by the "insured" have substantially increased the hazards insured against. If we cancel for this reason, we will mail or deliver to the first Named Insured at least 15 days' notice.
- e. Revocation or suspension of your driver's license or that of another operator who either resides in the same household or customarily operates the "auto". If we cancel for this reason, we will mail or deliver to the first Named Insured at least 15 days' notice.
- f. You present a claim based on fraud or material misrepresentation. If we cancel for this reason, we will mail the first Named Insured at least 15 days' notice.

The written notice of cancellation will state the reason for cancellation, except that such statement may be omitted from a notice mailed to an additional insured or lienholder under this Policy.

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 you cancel, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
- B.** The following condition is added:
- Nonrenewal**
1. If we decide not to renew or continue this Coverage Part, we will mail to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

2. If we offer to renew or continue and you do not accept, this Coverage Part will end on the expiration date of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.
3. If we fail to mail proper notice of nonrenewal and you obtain other insurance, this Coverage Part will end on the effective date of that other insurance.

C. Mailing Of Notices

We will mail or deliver our notice of cancellation or nonrenewal to the first Named Insured's last mailing address known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

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.

NEW MEXICO UNINSURED MOTORISTS COVERAGE – NONSTACKED

For a covered "auto" licensed or principally garaged in, or "auto dealer operations" conducted in, New Mexico, 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.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Named Insured: MIDDLE RIO GRANDE CONSERVANCY DISTRICT

Endorsement Effective Date: 07/01/2018

SCHEDULE

Limit Of Insurance: \$ 500,000

Each "Accident"

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

A. Coverage

1. We will pay all sums the "insured" is legally entitled to recover as damages from the owner or driver of an "uninsured motor vehicle" because of:

- a. "Bodily injury" sustained by an "insured" and caused by an "accident"; or
- b. "Property damage" caused by an "accident". Paragraph **b.** of the "uninsured motor vehicle" definition does not apply to "property damage".

The owner's or driver's liability for these damages must result from the ownership, maintenance or use of the "uninsured motor vehicle".

2. With respect to damages resulting from an "accident" with a vehicle described in Paragraph **b.** of the definition of "uninsured motor vehicle", we will pay under this coverage only if **a.** or **b.** applies:

- a. The limit of any applicable liability bonds or policies has been exhausted by payment of judgments or settlements; or
- b. A tentative settlement has been made between an "insured" and the insurer of a vehicle described in Paragraph **b.** of the definition of "uninsured motor vehicle", and we:

- (1) Have been given prompt written notice of such tentative settlement; and

- (2) Advance payment to the "insured" in an amount equal to the tentative settlement within 30 days after receipt of notification.

3. Any judgment for damages arising out of a "suit" brought without our written consent is not binding on us.

B. Who Is An Insured

If the Named Insured is designated in the Declarations as:

1. An individual, then the following are "insureds":
 - a. The Named Insured and any "family members".
 - b. Anyone else "occupying" a covered "auto" or a temporary substitute for a covered "auto". The covered "auto" must be out of service because of its breakdown, repair, servicing, "loss" or destruction.
 - c. Anyone for damages he or she is entitled to recover because of "bodily injury" sustained by another "insured".
2. A partnership, limited liability company, corporation or any other form of organization, then the following are "insureds":
 - a. Anyone "occupying" a covered "auto" or a temporary substitute for a covered "auto". The covered "auto" must be out of service because of its breakdown, repair, servicing, "loss" or destruction.
 - b. Anyone for damages he or she is entitled to recover because of "bodily injury" sustained by another "insured".
 - c. The Named Insured for "property damage" only.

C. Exclusions

This insurance does not apply to any of the following:

1. Any claim settled without our consent, if the settlement prejudices our right to recover payment. However, this exclusion does not apply to a settlement made with the insurer of a vehicle described in Paragraph **b.** of the definition of "uninsured motor vehicle", in accordance with the procedure described in Paragraph **A.2.b.**
2. The direct or indirect benefit of any insurer or self-insurer under any workers' compensation, disability benefits or similar law.
3. The direct or indirect benefit of any insurer of property.

4. The first \$250 of the amount of "property damage" to the property of each "insured" as the result of any one "accident".
5. Anyone using a vehicle without a reasonable belief that the person is entitled to do so.
6. "Property damage" for which the "insured" has been or is entitled to be compensated by other property or physical damage insurance.
7. "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.

D. Limit Of Insurance

1. Regardless of the number of covered "autos", "insureds", premiums paid, claims made or vehicles involved in the "accident", the most we will pay for all damages resulting from any one "accident" is the limit of Uninsured Motorists Coverage shown in the Schedule or Declarations.
2. No one will be entitled to receive duplicate payments for the same elements of "loss" under this Coverage and any Liability Coverage form or Medical Payments Coverage endorsement attached to this Coverage Part.

We will not make a duplicate payment under this coverage for any element of "loss" for which payment has been made by or for anyone who is legally responsible.
3. With respect to damages resulting from an "accident" involving an underinsured motor vehicle, as described in Paragraph **b.** of the "uninsured motor vehicle" definition, the Limit of Insurance shall be reduced by all sums paid by or for anyone who is legally responsible, including all sums paid under this Coverage Form's Covered Autos Liability Coverage.
4. We will not pay for a "loss" which is paid or payable under Physical Damage Coverage.

E. Changes In Conditions

The **Conditions** are changed for Uninsured Motorists Coverage as follows:

1. Other Insurance in the Auto Dealers and Business Auto Coverage Forms and **Other Insurance – Primary And Excess Insurance Provisions** in the Motor Carrier Coverage Form are changed by addition of the following:

- a. The reference to "other collectible insurance" applies only to other collectible uninsured motorists insurance.
- b. Any insurance we provide with respect to a vehicle owned by the Named Insured or, if the Named Insured is an individual, any "family member", that is not a covered "auto" for Uninsured Motorists Coverage under this Coverage Form, shall be excess over any other collectible uninsured motorists insurance providing coverage on a primary basis.

2. Duties In The Event Of Accident, Claim, Suit Or Loss in the Business Auto and Motor Carrier Coverage Forms and **Duties In The Event Of Accident, Claim, Offense, Suit, Loss Or Acts, Errors Or Omissions** in the Auto Dealers Coverage Form are changed by adding the following:

- a. Promptly notify the police if a hit-and-run driver is involved;
- b. Promptly send us copies of the legal papers if a "suit" is brought; and
- c. A person seeking coverage from an insurer, owner or operator of a vehicle described in Paragraph **b.** of the definition of "uninsured motor vehicle" must also notify us in writing of a tentative settlement between the "insured" and the insurer and allow us to advance payment to that "insured" in an amount equal to the tentative settlement within 30 days after receipt of notification to preserve our rights against the insurer, owner or operator of such vehicle.

3. Transfer Of Rights Of Recovery Against Others To Us is changed by adding the following:

If we make any payment and the "insured" recovers from another party, the "insured" shall hold the proceeds in trust for us and pay us back the amount we have paid.

Our rights do not apply under this provision with respect to damages caused by an "accident" with a vehicle described in Paragraph **b.** of the definition of "uninsured motor vehicle" if we:

- a. Have been given prompt written notice of a tentative settlement between an "insured" and the insurer of a vehicle described in Paragraph **b.** of the definition of "uninsured motor vehicle"; and
- b. Fail to advance payment to the "insured" in an amount equal to the tentative settlement within 30 days after receipt of notification.

If we advance payment to the "insured" in an amount equal to the tentative settlement within 30 days after receipt of notification:

- a. That payment will be separate from any amount the "insured" is entitled to recover under the provisions of Uninsured Motorists Coverage; and
- b. We also have a right to recover the advance payment.

4. The following condition is added:

Arbitration

- a. If we and an "insured" disagree whether the "insured" is legally entitled to recover damages from the owner or driver of an "uninsured motor vehicle" or do not agree as to the amount of damages that are recoverable by that "insured", then the matter may be arbitrated. However, disputes concerning whether there is coverage under this endorsement may not be arbitrated. Both parties must agree to arbitration. If so agreed, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction. Each party will pay the expenses it incurs and bear the expenses of the third arbitrator equally, unless the arbitration costs are awarded to the prevailing party by the arbitrators.
- b. Unless both parties agree otherwise, arbitration will take place in the county in which the "insured" lives. Local rules of law as to arbitration procedure and evidence will apply. A decision agreed to by two of the arbitrators will be binding.

5. Two Or More Coverage Forms Or Policies Issued By Us does not apply.

F. Additional Definitions

As used in this endorsement:

1. "Family member" means a person related to an individual Named Insured by blood, marriage or adoption who is a resident of such Named Insured's household, including a ward or foster child.
2. "Occupying" means in, upon, getting in, on, out or off.
3. "Property damage" means injury or destruction of:
 - a. A covered "auto";
 - b. Property owned by:
 - (1) The Named Insured; or
 - (2) Any "family member", if the Named Insured is an individual; or
 - c. Property contained in a covered "auto" and owned by anyone else "occupying" the covered "auto".
4. "Uninsured motor vehicle" means a land motor vehicle or "trailer":
 - a. For which no liability bond or policy at the time of an "accident" provides at least the amounts required by the applicable law where a covered "auto" is principally garaged;

- b. That is an underinsured motor vehicle. An underinsured motor vehicle is a motor vehicle or "trailer" for which the sum of all liability bonds or policies at the time of an "accident" provides at least the amounts required by the applicable law where a covered "auto" is principally garaged, but their limits are less than the sum of the limits of this coverage applicable to the "insured";

- c. For which an insuring or bonding company denies coverage or is or becomes insolvent; or
- d. That is a hit-and-run vehicle and neither the driver nor owner can be identified.

The vehicle must either:

- (1) Hit an "insured", a covered "auto" or a vehicle an "insured" is "occupying"; or
- (2) Cause "bodily injury" or "property damage" with no physical contact with an "insured", a covered "auto" or a vehicle the "insured" is "occupying" at the time of an "accident".

However, "uninsured motor vehicle" does not include any vehicle:

- a. Owned or operated by a self-insurer under any applicable motor vehicle law, except a self-insurer who is or becomes insolvent and cannot provide the amounts required by that motor vehicle law; or
- b. Designed for use mainly off public roads while not on public roads.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**COVERED AUTO DESIGNATION SYMBOL**

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.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below:

Named Insured: MIDDLE RIO GRANDE CONSERVANCY DISTRICT

Endorsement Effective Date: 07/01/2018

Section I – Covered Autos in the Business Auto and Motor Carrier Coverage Forms and **Section I – Covered Autos Coverages** in the Auto Dealers Coverage Form are amended by adding the following:

Item Two of the Declarations shows the "autos" that are covered "autos" for each of your coverages. The following numerical symbols may be used (in addition to the numerical symbols described in the Coverage Form) to describe the "autos" that may be covered "autos". The entry of one of these symbols next to a coverage on the Declarations will designate the only "autos" that are covered "autos".

Symbol	Description Of Covered Auto Designation Symbols	
For use with the Business Auto Coverage Form		
<div><div>X</div><div>10</div></div>	=	<div>All Owned units 3 years old and newer</div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div>
For use with the Auto Dealers Coverage Form		
<div><div></div><div>32</div></div>	=	<div></div> <div></div> <div></div>

Symbol	Description Of Covered Auto Designation Symbols	
For use with the Motor Carrier Coverage Form		
<div> <div></div> <div>72</div> </div>	=	<div></div> <div></div> <div></div>
<div> <div></div> <div>73</div> </div>	=	<div></div> <div></div> <div></div>

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

@VANTAGE FOR GOVERNMENT RISKS

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

The following schedule lists the coverage extensions provided by this endorsement. Refer to the individual provisions to determine the extent of your coverage.

SCHEDULE OF COVERAGE EXTENSIONS	
1. Additional Insured By Contract	10. Employees and Volunteers as Insureds
2. Airbag Discharge	11. Expected or Intended Injury Exclusion
3. Auto Theft Reward	12. Fellow Employee Exclusion
4. Bodily Injury Redefined – Mental Anguish	13. Freezing Coverage – Emergency Vehicles
5. Commandeered Autos	14. Glass Repair – Waiver of Deductible
6. Customized Vehicles	15. Hired Auto Physical Damage Coverage
7. Duties In The Event of Accident, Claim, Suit or Loss	16. Lease Gap Coverage
8. Elected or Appointed Officials As Insureds	17. Liability Coverage – Supplementary Payment
9. Electronic Equipment	18. Physical Damage – Transportation Expenses

1. ADDITIONAL INSURED BY CONTRACT

The **Who Is An Insured** provision under **SECTION II – LIABILITY COVERAGE** is amended to include as an additional insured any person or organization with whom you agreed in a written contract, written agreement or permit, to provide insurance such as is afforded under this Coverage Form. Such person or organization is an insured only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part by your maintenance, operation or use of your covered "autos".

With respect to the insurance afforded to these additional insureds, this insurance does not apply:

- Unless the written contract or agreement has been executed or the permit has been issued prior to the "bodily injury" or "property damage";
- To any person or organization included as an insured by endorsement or in the Declarations, or
- To any lessor of "autos" when their contract or agreement with you for such leased "auto" ends.

2. AIRBAG DISCHARGE

If you purchased physical damage coverage for a covered "auto" under this policy, we will pay to reset or replace an airbag that accidentally discharges without the vehicle being involved in an accident. No deductible applies to this additional coverage. However, this coverage only applies if the airbag is not covered under a manufacturer's warranty and you did not intentionally cause the airbag to discharge.

3. AUTO THEFT REWARD

We will pay up to a \$2,000 reward in the event of a covered loss, for information leading to the arrest and conviction of anyone stealing a covered "auto". A reward will not be paid to you, a family member, employee or any public official while performing their duty.

4. BODILY INJURY REDEFINED – MENTAL ANGUISH

The definition of "bodily injury" under **SECTION V – DEFINITIONS** is replaced by the following:

"Bodily injury" means bodily injury, sickness, or disease sustained by a person, including mental anguish or death resulting from any of these at any time.

5. COMANDEERED AUTOS

The definition of an "auto" under **SECTION V – DEFINITIONS** is amended to include:

Any "auto" that you commandeer for the purpose of performing emergency operations. A commandeered "auto" is covered even though not shown in the Declarations.

The **Who Is An Insured** provision under **SECTION II – LIABILITY COVERAGE** is amended to add owners of commandeered "autos" while such commandeered "auto" is in your temporary care, custody and control.

6. CUSTOMIZED VEHICLES

- a. The following is added under **SECTION III — PHYSICAL DAMAGE** Coverage Extensions.

We will pay the additional repair or replacement costs necessary to customize a damaged covered "auto" with permanently installed equipment of like kind and quality. We will also pay the cost of installation of such permanently installed equipment onto a replacement "auto" if the covered "auto" is not repairable. Customization includes:

1. Emergency lights, light bars and sirens;
2. Paint and decals;
3. Permanently installed radios and other communication equipment;
4. Permanently installed computer equipment

This coverage extension is excess over any other collectible insurance and does not apply to any covered "auto" if insured on an Agreed Value basis.

- b. The definition of an "auto" under **SECTION V – DEFINITIONS** is amended to include any permanently attached machinery or equipment.

7. DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS

Under **SECTION IV – BUSINESS AUTO CONDITIONS** –the **Duties In The Event Of Accident, Claim, Suit Or Loss** Condition is amended as follows:

The requirements that you must

- a. notify us of an "accident", claim, "suit" or "loss" and
- b. send us documents concerning a claim or "suit"

apply only when such "accident", claim, "suit" or "loss" is known to your officers, your legal department or an "employee" you designate to give or receive notice of an "accident", claim, "suit" or "loss".

8. ELECTED OR APPOINTED OFFICIALS AS INSURED

The **Who Is An Insured** provision under **SECTION II – LIABILITY COVERAGE** is changed by adding the following:

Your elected or appointed officials while using a covered "auto", but only for the conduct of their duties as your elected or appointed officials.

9. ELECTRONIC EQUIPMENT

The exclusion for electronic equipment under **Exclusions** of **SECTION III – PHYSICAL DAMAGE COVERAGE** does not apply to "loss" of any installed audio, visual, communications or radar equipment, including:

1. Citizen's band radio;
2. Two-way mobile radio or telephone;
3. Scanning monitor receiver;
4. GPS Navigation System;
5. Radar/Laser equipment;
6. Visual equipment;
7. Audio equipment; and
8. Laptop computers,

including its antenna and other accessories.

However, this coverage extension does not apply to electronic data, tapes, records, discs and software.

This coverage is excess over any other collectible insurance.

10. EMPLOYEES AND VOLUNTEERS AS INSURED

The **Who Is An Insured** provision under **SECTION II – LIABILITY COVERAGE** is changed by adding the following:

Any "employee" or "volunteer worker" of yours while using a covered "auto" you don't own, hire or borrow in your business or your personal affairs. This coverage is excess over any other collectible insurance.

The following is added to **SECTION V – DEFINITIONS**.

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

11. EXPECTED OR INTENDED INJURY EXCLUSION

The Expected Or Intended Injury exclusion under **SECTION II – LIABILITY COVERAGE** does not apply if the "bodily injury" or "property damage" results from the use of reasonable force to protect people or property.

12. FELLOW EMPLOYEE EXCLUSION

The Fellow Employee exclusion under **SECTION II - LIABILITY COVERAGE** does not apply if the "bodily injury" results from the use of a covered "auto" you own or hire. This coverage is excess over any other insurance.

13. FREEZING COVERAGE – EMERGENCY VEHICLES

The exclusion for "loss" caused by freezing in subparagraph 3.a. of **B. EXCLUSIONS**, under **SECTION III – PHYSICAL DAMAGE COVERAGE** does not apply to any "loss" to permanently attached special equipment common to a fire truck, ambulance or rescue vehicle, including pumps, gauges and tanks. However, this coverage extension does not apply to "loss" caused by freezing due to failure to properly maintain such equipment or to a vehicle's engine due to freezing.

14. GLASS REPAIR – WAIVER OF DEDUCTIBLE

Under Paragraph **D – Deductible** – of **SECTION III - PHYSICAL DAMAGE COVERAGE**, the following is added:

No deductible applies to glass damage if the glass is repaired rather than replaced.

15. HIRED AUTO – PHYSICAL DAMAGE COVERAGE

If hired "autos" are covered "autos" under **SECTION II – LIABILITY COVERAGE** and if **Comprehensive, Specified Causes of Loss**, or **Collision** coverages are provided under this policy for any "auto" you own, then **SECTION III - PHYSICAL DAMAGE COVERAGE** is extended to "autos" you hire, subject to the following limit:

The most we will pay for "loss" to any hired "auto" is the lesser of:

- a. \$50,000,
- b. The actual cash value, or
- c. The cost of repairing or replacing it with other property of like kind or quality.

The deductible will be equal to the largest deductible applicable to any owned "auto" for that coverage. No deductible applies to "loss" caused by fire or lightning. Hired Auto Physical Damage Coverage is excess over any other collectible insurance.

Subject to the above limit, deductible and excess provisions, we will provide coverage equal to the broadest coverage applicable to any covered "auto" you own.

We will also cover loss of use of the hired "auto" if the following conditions are met:

- a. it results from an accident,
- b. you are legally liable, and
- c. the lessor incurs an actual financial loss.

The most we will pay for this loss of use coverage is \$1,000 per "accident".

16. LEASE GAP COVERAGE

Under Paragraph **C. Limit of Insurance** – of **SECTION III - PHYSICAL DAMAGE COVERAGE**, the following is added:

If a covered "auto" is leased, we will also pay the difference between the actual cash value of a covered "auto" at the time of "loss" and the remaining balance on your lease if the following conditions are met:

- a. The "auto" has a long term lease and is covered on this policy.
- b. The lessor is added as an Additional Insured in a written lease agreement.
- c. You are legally obligated for the remaining balance.

We will not pay for any amounts representing excess wear and tear charges; additional mileage charges; taxes; overdue payments; penalties, interest or charges resulting from overdue payments; or lease termination fees.

17. LIABILITY COVERAGE EXTENSIONS – SUPPLEMENTARY PAYMENTS

Under **SECTION II – LIABILITY COVERAGE**, the Coverage Extension for **Supplementary Payments** is revised as follows:

- a. The limit for the cost of bail bonds is amended to \$3,500.
- b. The limit for reasonable expenses incurred by the "insured" is amended to \$500 a day.

18. PHYSICAL DAMAGE – TRANSPORTATION EXPENSES COVERAGE

Under **SECTION III – PHYSICAL DAMAGE** Coverage Extensions, the limit for **Transportation Expenses** is amended to \$75 per day and the maximum is amended to \$2,250.

NEW MEXICO UNINSURED MOTORISTS COVERAGE SELECTION/REJECTION

Applicant/Named Insured: MIDDLE RIO GRANDE CONSERVANCY DISTRICT PO BOX 581 ALBUQUERQUE, NM 87103-0581	Policy Number: 791000854-0002
Policy Effective Date: 07/01/2017	Producer: HUB INTERNATIONAL INSURANCE SERVICES, INC. P.O. BOX 90756 ALBUQUERQUE, NM 87199

New Mexico law permits you to make certain decisions regarding Uninsured Motorists Coverage. This document describes this coverage and the options available.

You should read this document carefully and contact your agent if you have any questions regarding Uninsured Motorists Coverage and your options with respect to this coverage.

This document includes general descriptions of coverage. However, no coverage is provided by this document. You should read your policy and review your Declarations Page(s) and/or Schedule(s) for complete information on the coverage you are provided.

Uninsured Motorists Coverage provides insurance protection to an insured for damages which the insured is legally entitled to recover from the owner or operator of an uninsured motor vehicle or underinsured motor vehicle because of bodily injury, or from the owner or operator of an uninsured motor vehicle because of property damage, caused by an automobile accident. Also included are damages due to bodily injury or property damage that result from an automobile accident with a hit-and-run vehicle whose owner or operator cannot be identified.

Unless rejected, Uninsured Motorists Coverage will be afforded at a limit at least equal to the limits of your Combined Single Limit for Liability Coverage.

Please indicate your choice by initialing next to the appropriate item **and signing** below.

A. Rejection Of Uninsured Motorists Coverage

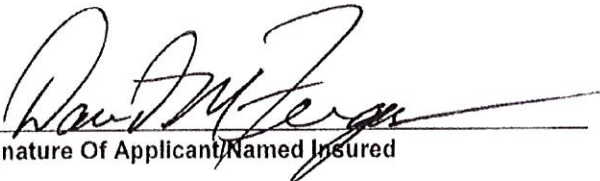
<div style="border-bottom: 1px solid black; width: 80%; margin: 0 auto;"></div> <div style="text-align: center; margin-top: 5px;">(Initials)</div>	I reject Uninsured Motorists Coverage.
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B. Selection Of Uninsured Motorists Coverage Limit

I select the following limit for Uninsured Motorists Coverage. (The limit selected cannot exceed the Liability Coverage limit of your policy.)

(Choose from the following options:)

(Initials)	Combined Single Limit	Premium
	\$ 60,000	\$6,633
	\$ 100,000	\$8,643
	\$ 200,000	\$12,462
	\$ 250,000	\$13,869
	\$ 300,000	\$15,276
	\$ 350,000	\$16,080
✓ DM7	\$ 500,000	\$18,291
	\$ 1,000,000	\$22,110


Signature Of Applicant/Named Insured

6/28/17
Date

SCHEDULE 8

Effective 07/01/2018 , this schedule forms a part of Policy No. 791-00-08-54-0003
(At the time stated in the policy)

issued to

MIDDLE RIO GRANDE CONSERVANCY DISTRICT

Producer: HUB INTERNATIONAL INSURANCE SERVICES,
INC.

by Atlantic Specialty Insurance Company

Commercial Inland Marine Coverage Part Declarations, VIM 100 07 05,
Continued:

Forms Applicable to the Inland Marine Coverage Part:

CM 01 38 03 00	NM CHANGES - INTENTIONAL ACTS
IL 09 53 01 15	EXCLUSION OF CERTIFIED ACTS OF TERRORISM
VIL 502 07 06	ADDITIONAL INTEREST SCHEDULE
VIM 001 05 18	COMMERCIAL INLAND MARINE CONDITIONS
VIM 016 07 05	CONTRACTORS EQUIPMENT COVERAGE FORM
VIM 100 07 05	COMMERCIAL INLAND MARINE DECLARATIONS
VIM 516 07 05	CONTRACTORS EQUIPMENT SCHEDULE
VIM MH 001 05 18	MORTGAGEHOLDERS CONDITION
ASC 00 11 01 98	Schedule 8 - INLAND MARINE LIST OF FORMS

3 5-72-0075 07/24/2018 P1B CPW PR 1.000

INLAND MARINE DECLARATIONS

Loc	Bldg Coverage	Limit of Insurance	Deductible
<hr/>			
	Contractor's Equipment		
	Deductible Amount		\$5,000
	Description of Property:		
	\$10,778,670. Scheduled Lt/Hvy Equipment		
	\$222,629. Office Equip under \$5K, \$500,000		
	Leased/Rented Equipment \$186,523 Shop-Weld &		
	\$721,903 fixed ass \$124,440 - Hydro-		
	Engineer		
	Valuation: Actual Cash Value		
	All Covered Property	\$12,534,165	
	Additionally Acquired Equipment	\$250,000	
	Days	60	
	Construction Documents	\$2,500	
	Debris Removal	\$5,000	
	Employee Tools and Clothing	\$2,500	
	Pollutant Clean Up	\$10,000	
	Preservation of Property - Expense Coverage	\$2,500	
	Days	30	
	Rental Expense Reimbursement	\$5,000	
	Days	2	
	Leased, Rented or Borrowed Contractors Equipment		
	from Others		
	Any One Item	\$500,000	
	All Items	\$500,000	
	Your Contractor's Equipment Leased, Rented or		
	Borrowed by Others		
	Any One Item	\$1,000	
	All Items	\$2,000	

Terrorism - Inland Marine

CONTRACTORS EQUIPMENT SCHEDULE

Valuation (Val): RC = Replacement Cost
 ACV = Actual Cash Value
 SV = Stated Value
 FRC = Functional Replacement Cost

Item #	Year	Description of Item / Serial #	Limit	Deductible	Valu- ation
		Per Schedule on File with Company	\$ 12,534,165	\$ 5,000	ACV

Additional Interest Schedule

Commercial Inland Marine Coverage Part Declarations, VIM 100 07 05 , Continued

Loc	Bldg	Type of Additional Interest Loss Payee	Additional Interest Name and Address
			WAGNER EQUIPMENT CO. PO BOX 11900 DENVER, CO 80211-0900 RE: AS THEIR INTERESTS MAY APPEAR

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 **90 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.
11. At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amounts of loss claimed.
12. Resume all or part of your "**operations**" as quickly as possible.
13. Make no statement that will assume any obligation or admit any liability for any loss for which we may be liable without our consent.

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

1. We cover loss or damage commencing:
 - a. During the policy period shown in the Declarations; and
 - b. Within the coverage territory or with respect to personal property in transit, while it is between points in 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.

F. Valuation

The value of Covered Property will be the least of the following amounts:

- a. Amount for which you are liable;
- b. Actual cash value of the lost or damaged property;
- c. Cost of reasonably restoring the property to its condition immediately before the loss; or
- d. Cost of replacing the lost or damaged property with substantially identical property.

If a valuation method other than actual cash value applies, as shown in the Declarations or by a valuation condition in the coverage form, that valuation method applies in **a.** above in place of actual cash value.

The value will include the value of labor, materials or services furnished or arranged by you.

In the event of loss or damage, the value of property will be determined as of the time of loss or damage.

PROPERTY VALUATION METHODS AND LOSS PAYMENT CONDITIONS

A. Loss Payment

1. In the event of loss or damage covered by this policy, at our option we will either:
 - a. Pay the value of lost or damaged property;
 - b. Pay the cost of repairing or replacing the lost or damaged property;
 - c. Take all or any part of the property at an agreed value or, if an agreed value cannot be reached, appraised value; or
 - d. Repair, rebuild or replace the property with other property of like kind and quality.

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 will not pay more than the least of the following amounts:
 - a. The Limit of Insurance under this policy that applies to the loss;
 - b. The value of the lost or damaged property; or
 - c. for building property, the amount that you actually spend that is necessary to repair or replace the lost or damaged property at:
 - (1) The same location; or
 - (2) Another location;for the same use and occupancy.
 - d. For property other than building property, the amount that you actually spend that is necessary to repair or replace the lost or damaged property.

B. Valuation Methods

We will determine the value of your property based on one of the following valuation methods when designated to apply to your property by your policy.

a. Replacement Cost

- (1) Replacement Cost means the cost to repair, rebuild, or replace the lost or damaged property with other property:
 - (a) Of comparable material and quality;
 - (b) Used for the same purpose; and
 - (c) Without a deduction for depreciation.
- (2) We will not pay on a replacement cost basis for any loss or damage until the lost or damaged property is actually repaired or replaced. You may make a claim on an actual cash value basis for loss or damage covered by this insurance on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim on a replacement cost basis if:
 - (a) The lost or damaged property is actually repaired or replaced; and
 - (b) You notify us to do so within **180 days** after the date of loss or damage or some other reasonable period on which we agree in writing.
- (3) The following property will be adjusted based on its replacement cost:
 - (a) Any property designated in the coverage form as having replacement cost valuation apply; and
 - (b) Any property specifically identified in the Declarations as having replacement cost valuation apply.

b. Functional Replacement Cost

- (1) Functional replacement cost means the cost to repair or replace property with available property that most closely duplicates the function of the damaged or replaced property at time of loss. The replacement property may perform additional functions if it is the available property that most closely duplicates the function of the damaged or replaced property.
- (2) The following property will be adjusted based on its functional replacement cost:
 - (a) Unless a different valuation basis is specified for such property in the Declarations:
 - (i) **"hardware"**;
 - (ii) **"media"**; and
 - (iii) **"scientific and medical equipment"**; and
 - (b) Any property designated in the coverage form as having functional replacement cost valuation apply; and
 - (c) Any property specifically identified in the Declarations as having functional replacement cost valuation apply.

c. Stated Value

- (1) Stated Value means that in a total loss we will pay the amount stated in the Declarations for the lost or damaged property.

- (2) For property to be covered on a stated value basis it must be specifically identified in the Declarations as having Stated Value apply. The Declarations must indicate the Stated Value individually for each item.
- (3) If we determine that there has been a partial loss to property covered on a stated value basis, we will pay no more than the proportion that the value of the damaged part bears to the Stated Value in the Declarations.

d. Actual Cash Value

- (1) Actual cash value means replacement cost, as defined in **a.** above, minus depreciation.
- (2) We will value the following property on an actual cash value basis:
 - (a) Any property that otherwise would be valued on a replacement cost basis, but for which repairs or replacements are not made as soon as reasonably possible;
 - (b) Any property designated in the coverage form as having actual cash value apply;
 - (c) Any property specifically identified in the Declarations as having actual cash value apply; and
 - (d) Any property for which another valuation method is not specifically identified.

e. Electronic Data Valuation

To the extent "**electronic data**" is not replaced, 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.

C. Personal Property of Others

- a. Our payment for loss of or damage to personal property of others will only be for the account of the owners of the property. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- b. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- c. Personal property of others is valued on the same basis as your business personal property (subject to any exceptions in this Valuation and Loss Payment section). However, we will not pay more than the amount for which you are legally liable.
- d. Labor, materials and services that you furnish or arrange on personal property of others are valued based on the actual cost of the labor, materials and services.

D. Coinsurance Option

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 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.
- 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.

LOSS PAYEE CONDITION

When an Additional Interest Schedule is attached to this Policy, the following provisions apply to Loss Payees:

For Covered Property in which both you and a Loss Payee shown in the Additional Interest Schedule have an insurable interest, we will:

1. Adjust losses with you; and
2. Pay any claim for loss jointly to you and the Loss Payee, as interests may appear.

CONTRACTOR'S EQUIPMENT COVERAGE FORM

Various provisions in this policy restrict coverage, so you should 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. The word **loss** means accidental loss or damage.

Other words and phrases that appear in **bold** and have "**quotation marks**" have special meaning. Refer to the **DEFINITIONS** section.

COVERAGE

We will pay for direct physical loss or damage to Covered Property caused by or resulting from any of the Covered Causes of Loss.

Covered Property

Covered property means contractor's equipment, as scheduled in the Coverage Form Declarations or on a separate schedule, as scheduled in the Coverage Form Declarations, on a Schedule that is part of the policy, or on a separate Schedule identified in the policy, which that is:

- a. Your property; and
- b. Similar property of others for which you may be liable.

Covered Property – Limits of Insurance

For contractor's equipment or other Covered Property listed or described on a Schedule, the most we will pay, in any one occurrence:

1. for loss or damage to each item, is the limit of insurance shown for that item on the Schedule, but
2. we will pay no more in total than the **All Covered Property Limit of Insurance** shown in the Declarations.

Property Not Covered

Covered Property does not include:

- a. Automobiles, motor trucks, tractors, trailers, or other vehicles designed and principally used for highway transportation; aircraft, or watercraft;
- b. Property while airborne;
- c. Property while waterborne, except while in transit on a regular ferry;
- d. Property while located underground;
- e. Contraband or property in the course of illegal transportation or trade;
- f. Land or water; or
- g. Property while in the possession of others under an agreement of sale.

Covered Causes of Loss

Covered Causes of Loss means Risks of Direct Physical Loss or Damage to Covered Property, except those causes of loss or damage listed in the exclusions.

Additional Coverages

Additionally Acquired Equipment

If during the policy period you acquire additional equipment of a type already covered by this form which you buy, lease, rent, or borrow, we will cover such equipment for up to the number of days shown in the Declarations but not beyond the end of the policy period.

The most we will pay in a loss or damage for any one item is your **Additionally Acquired Equipment Limit of Insurance** shown in the Declarations;

Unless an increased limit for any one item is shown in this Coverage Form Declarations.

You will report such equipment to us within the number of days shown in the Declarations after the date acquired and will pay any additional premium due. If you do not report such equipment, coverage will automatically cease the number of days shown in the Declarations after the date the equipment is acquired, or at the end of the policy period, whichever occurs first.

This Additional Coverage is in addition to the applicable Limits of Insurance provided by this Coverage Form.

Construction Documents

We will cover Construction Documents which consist of blueprints, plans, drawings, designs, specifications or similar documents. Your **Construction Documents Limit of Insurance** shown in the Declarations is the most we will pay for loss or damage in any one occurrence.

The Deductible Provision does not apply to this Additional Coverage.

This Additional Coverage is in addition to the applicable limits provided by this Coverage Form.

Debris Removal

1. We will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the earlier of:
 - a. The date of direct physical loss or damage; or
 - b. The end of the policy period.
2. This Coverage does not apply to costs to:
 - a. Extract "**pollutants**" from land or water; or
 - b. Remove, restore or replace polluted land or water.
3. **Debris Removal Limit of Insurance**
 - a. Your **Debris Removal Limit of Insurance** applies to your Debris Removal Coverage, providing an excess Limit of Insurance.
 - b. The most we will pay for debris removal is the lesser of:
 - (1) 25% of the covered direct physical loss or damage; or
 - (2) The remaining applicable Limit of Insurance for Covered Property shown in the Declarations after payment of the covered direct physical loss or damage.
 - c. If the amount in b. above is insufficient to pay the debris removal, we will pay the remaining debris removal. However, this additional amount we pay is subject to the **Debris Removal Limit of Insurance** shown in the Declarations.

Employee Tools and Clothing

We will pay for loss or damage to tools and clothing of your employees caused by or resulting from any of the Covered Causes of Loss. Coverage applies only while at your job sites or premises or while in transit to or from such job sites or premises in your vehicle.

Your **Employee Tools and Clothing Limit of Insurance** shown in the Declarations is the most we will pay in any one occurrence for loss or damage under this Additional Coverage. However, the most we will pay for loss or damage to property of any one employee is \$500. We will not pay for any loss or damage unless the amount of the loss or damage is more than \$500.

The Coinsurance and Deductible provisions do not apply to this Additional Coverage.

This Additional Coverage is in addition to the applicable Limits of Insurance provided by this Coverage Form.

Pollutant Clean Up And Removal

1. We will pay your expense to extract "**pollutants**" from land or water 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 when the Covered Cause of Loss occurs.
2. This Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effect of "**pollutants**" from the land or water. But we will pay for testing which is performed in the course of extracting the "**pollutants**" from the land or water.
3. **Pollutant Clean Up Limit of Insurance**
 - a. Your **Pollutant Clean Up Limit of Insurance** applies to your Pollutant Clean Up and Removal Coverage. The aggregate liability of the Company shall not exceed this limit for all covered expenses arising during any single policy year. A policy year means the period from the inception or anniversary date to the expiration date or next anniversary date.
 - b. Your **Pollutant Clean Up Limit of Insurance** applies per location and is shown in the Declarations.

Preservation of Property

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

- a. While it is being moved to or while temporarily stored at another location; and
- b. Only if loss or damage occurs within 90 days after the property is first moved.

This Additional Coverage does not increase the Limit of Insurance.

Preservation of Property – Expense Coverage

If it is necessary to move Covered Property from a premises to preserve it from further loss or damage by a Covered Cause of Loss, we will pay the actual expense to move the property to safety.

We will also pay any necessary rental fees for the temporary storage at premises of others for the period of days shown in the Declarations after the property is first moved.

This is additional insurance. The applicable per-occurrence **Preservation of Property – Expense Coverage Limit of Insurance** is shown in the Declarations.

Rental Expense Reimbursement

We will reimburse your rental expenses should a covered loss or damage to equipment you own make it necessary to rent or lease replacement equipment to continue your normal operations of the work in progress. We will reimburse these rental expenses provided you do not have equivalent idle equipment you can use, and you restore or replace the lost or damaged equipment as soon as possible.

Our reimbursement is limited to rental expenses incurred during the time beginning the number of days shown in the Declarations after the loss or damage has occurred and continuing until the equipment has been restored, replaced, or is no longer needed, whichever occurs first. The period of reimbursement will not be limited by the policy expiration date.

Your **Rental Expense Reimbursement Limit of Insurance** shown in this Coverage Form Declarations is the most we will pay under this Additional Coverage. The aggregate liability of the Company shall not exceed this limit for all covered expenses arising during any single policy year. A policy year means the period from the inception or anniversary date to the expiration date or next anniversary date.

This Additional Coverage is in addition to the applicable Limits of Insurance provided by this Coverage Form.

Leased, Rented, or Borrowed Contractor's Equipment From Others

We will pay for direct physical loss or damage to non-scheduled contractor's equipment which you lease, rent, or borrow from others caused by or resulting from a cause of loss not otherwise excluded, not to exceed the applicable **Limit Of Insurance For Leased, Rented Or Borrowed Contractor's Equipment From Others** shown in the Declarations. You must be responsible for insuring such equipment under the terms and conditions of the lease, rental or loan agreement. Leased, Rented or Borrowed Contractor's Equipment From Others coverage does not apply to contractor's equipment that is listed and described on the Schedule of Contractor's Equipment a Schedule.

Your Contractor's Equipment Leased, Rented, or Borrowed Contractor's By Others

We will pay for direct physical loss or damage to your contractor's equipment which you allow others to lease, rent, or borrow caused by or resulting from a cause of loss not otherwise excluded, not to exceed the applicable **Limit of Insurance For Your Contractor's Equipment Leased, Rented, Or Borrowed By Others** shown in the Declarations.

EXCLUSIONS

Consequential Loss

We will not pay for loss or damage caused by or resulting from delay, loss of use, loss of market or any other consequential loss.

Decay or Deterioration

We will not pay for loss or damage caused by or resulting from decay or deterioration. 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.

Dishonesty

We will not pay for loss or damage caused by or resulting from dishonest or criminal acts by you, any of your partners, employees, directors, trustees, authorized representatives or anyone (except carriers for hire) to whom you entrust the property for any purpose:

- a. Acting alone or in collusion with others; or
- b. Whether or not occurring during the hours of employment.

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

Electrical Arcing

We will not pay for loss or damage caused by or resulting from artificially generated electrical current, including electric arcing that disturbs electrical devices, appliances or wires creating a short circuit or other electric disturbance within an article covered under this Coverage Form.

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

This exclusion only applies to loss or damage to that article in which the disturbance occurs.

Governmental Action

We will not pay for loss or damage caused directly or indirectly by seizure or destruction of property by order of governmental authority. 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 whether or not the loss event results in widespread damage or affects a substantial area.

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.

Hidden or Latent Defect

We will not pay for loss or damage caused by or resulting from hidden or latent defect or any quality in property that causes it to damage or destroy itself. 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.

Mechanical Breakdown

We will not pay for loss or damage caused by or resulting from mechanical breakdown, including rupture or bursting caused by centrifugal force. However, this does not apply to any loss or damage caused by elevator collision. 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.

Mysterious Disappearance

We will not pay for loss or damage caused by or resulting from disappearance or shortage disclosed on taking inventory, where there is no physical evidence to show what happened.

This exclusion does not apply to any ensuing loss or damage by a Covered Cause of Loss.

Nuclear Hazard

We will not pay for loss or damage caused directly or indirectly by: any weapon employing atomic fission or fusion; nuclear reaction or radiation; or radioactive contamination; however caused. 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 whether or not the loss event results in widespread damage or affects a substantial area.

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.

Pollutants

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

Rust or Corrosion

We will not pay for loss or damage caused by or resulting from rust or other corrosion. 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.

Unexplained Loss

We will not pay for loss or damage caused by or resulting from unexplained loss

War and Military Action

We will not pay for loss or damage caused directly or indirectly by

- 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.

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

Wear and Tear

We will not pay for loss or damage caused by or resulting from wear and tear, or depreciation. 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.

Weather Conditions

We will not pay for loss or damage caused by or resulting from weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in the exclusions for Governmental Action, Nuclear Hazard, War And Military Action to produce the loss or damage.

But, if an excluded cause of loss results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

LIMITS OF INSURANCE

The most we will pay for loss or damage in any one occurrence:

1. For one item of scheduled property is the Limit of Insurance for that item;
2. For more than one item of scheduled property is the total of the scheduled limits for those items up to your **Limit of Insurance for All Covered Property**;
3. For Additional Coverages, is the Limit of Insurance applicable to that Additional Coverage;

As shown in this Coverage Form Declarations.

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

DEDUCTIBLES

We will not pay for loss or damage in any one occurrence until the amount of adjusted loss or damage before applying the applicable Limit 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. If no other Deductible is shown in the Declarations, your Deductible is \$500.

If more than one deductible applies in any one occurrence, the largest applicable deductible will be used.

CONDITIONS

This Coverage Form is subject to the Common Policy Conditions, the Commercial Inland Marine Conditions, and the following Additional Conditions:

Valuation

The following is added to the **Valuation** Condition in the Commercial Inland Marine Conditions:

However, when actual cash value would otherwise apply, we will not deduct depreciation on the adjustment of a partial loss or damage to an item when the loss or damage is less than 20% of the actual cash value of the item.

Impairment of Recovery Rights

If by any act or agreement after a loss or damage you impair our right to recover from others liable for the loss or damage, we will not pay you for that loss or damage.

DEFINITIONS

POLLUTANTS

"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.

SINKHOLE COLLAPSE

"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:

- a. The cost of filling sinkholes; or
- b. Sinking or collapse of land into man-made underground cavities.

SPECIFIED CAUSES OF LOSS

"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"**; sonic boom and elevator collision.

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.

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

WATER DAMAGE

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MORTGAGEHOLDERS CONDITION

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART

The following is added to your COMMERCIAL INLAND MARINE CONDITIONS and is applicable to mortgageholders on buildings covered by a Commercial Inland Marine Coverage Form:

MORTGAGEHOLDERS CONDITION

- 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 Additional Interest Schedule 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 omissions 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 omissions, 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.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW MEXICO CHANGES – INTENTIONAL ACTS

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART

- A.** The following exclusion is added:
- 1.** We will not pay for loss or damage arising out of any act committed:
 - a.** By or at the direction of any insured; and
 - b.** With the intent to cause a loss.
 - 2.** However, this exclusion will not apply to deny coverage to an innocent co-insured victim of domestic abuse who did not cooperate in or contribute to the creation of the loss, provided the loss is otherwise covered under this Coverage Part and is proximately related to and in furtherance of domestic abuse.
 - 3.** If we pay a claim pursuant to Paragraph **A.2.** of this endorsement, our payment to the insured is limited to the extent of that person's interest in the property. In no event will we pay more than the Limit of Insurance.
- B. The Transfer Of Your Rights Of Recovery Against Others To Us** Loss Condition in the Commercial Inland Marine Conditions is amended by the addition of the following:
- If we pay an innocent co-insured victim of domestic abuse for loss arising out of an act of domestic abuse by another insured, the rights of the innocent co-insured to recover damages from the perpetrator of the domestic abuse are transferred to us to the extent of our payment. Following the loss, the innocent co-insured may not waive such rights to recover against the perpetrator of the domestic abuse.
- C.** In this endorsement, domestic abuse means attempting to cause or intentionally, knowingly or recklessly causing damage to property for the purpose of intimidating or attempting to control the behavior of another person, including a minor.

SCHEDULE 9

Effective 07/01/2018 ,this schedule forms a part of Policy No. 791-00-08-54-0003
(At the time stated in the policy)

issued to

MIDDLE RIO GRANDE CONSERVANCY DISTRICT

Producer: HUB INTERNATIONAL INSURANCE SERVICES,
INC.

by Atlantic Specialty Insurance Company

Commercial Professional Liability Coverage Part Declarations,
APR 005 02 99, Continued

Forms Applicable to the Professional Liability Coverage Part:

APR 005 02 99	PROFESSIONAL LIAB DECLARATIONS
GRS EO 102 01 16	PUBLIC OFFICIALS ERRORS & OMISSIONS - CLAIMS MADE
GRS EO 206 01 16	EXCL - ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION AND DATA-RELATED LIABILITY; COMPUTER OR COMPONENTS; NETWORK SECURITY OR HACKING EVENT
GRS EO NM 02 09 07	NM CHANGES - YOUR RIGHT TO CLAIM INFORMATION
ASC 00 11 01 98	Schedule 9 - PROF LIAB POLICY FORMS LIST

3 5-72-0075 07/24/2018 P1B CPW PR 1.000

PROFESSIONAL LIABILITY COVERAGE PART DECLARATIONS

Limits of Insurance

Public Officials Errors & Omissions	\$2,000,000 Each Wrongful Act \$4,000,000 Aggregate \$5,000 Deductible Each Wrongful Act 07/01/2009 Retro Date
Public Officials Employment Practices	\$2,000,000 Each Offense \$4,000,000 Aggregate \$5,000 Deductible Each Offense 07/01/2009 Retro Date
Public Officials Employee Benefits Administration	\$2,000,000 Each Offense \$4,000,000 Aggregate \$5,000 Deductible Each Offense 07/01/2009 Retro Date

Forms applicable to the Professional Liability Coverage Part:

See ASC 00 11 01 98, Schedule 9

3 5-72-0075 07/24/2018 P1B CPW PR 1.000

PUBLIC OFFICIALS ERRORS AND OMISSIONS COVERAGE FORM

CLAIMS-MADE

for Government Risks

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered. We have no duty to provide coverage unless there has been full compliance with all the **SECTION VI – CONDITIONS** contained in this coverage part.

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

The word "insured" means any person or organization qualifying as such under **SECTION IV – WHO IS AN INSURED**.

Other words and phrases that appear in quotation marks have special meaning. Refer to **SECTION VII – DEFINITIONS**.

SECTION I – COVERAGES

A. Insuring Agreement – Liability for Wrongful Acts

1. We will pay those sums that the insured becomes legally obligated to pay as "damages" for a "claim" resulting from a "wrongful act" to which this insurance applies. This insurance DOES NOT apply to any "claim" resulting from a "wrongful act" which takes place in whole or in part prior to the Retroactive Date shown in the Declarations or subsequent to the termination of this policy.
2. We will have the right and duty to defend the insured against any "suit" seeking those "damages". However, we will have no duty to defend the insured against any "suit" seeking "damages" for a "wrongful act" to which this insurance does not apply. We may, at our discretion, investigate any "wrongful act" and settle any "claim" that may result.

However:

- a. The amount we will pay for "damages" is limited as described in **SECTION V – LIMITS OF INSURANCE**; and
- b. Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **Supplementary Payments (Section I. D.)**.

3. This insurance applies to "damages" resulting from a "wrongful act" only if:
 - a. The "wrongful act" was first committed:
 - (1) By an insured in the course and scope of his, her or its duties for you; and
 - (2) On or after the Retroactive Date shown in the Declarations and before the end of the policy period; and
 - b. A "claim" for "damages" is first made in writing against any insured during the policy period or any Extended Reporting Period we provide under **SECTION VIII – EXTENDED REPORTING PERIODS**.

A "claim" will be deemed to have been made when written notice of such "claim" is received by any insured or by us, whichever comes first. All "claims" resulting from a "wrongful act" or a series of "related wrongful acts" will be deemed to have been made when the first of those "claims" is made against any insured.

Notice to us that:

- all or part of any insured's acts or omissions may in the future be discovered to be a "wrongful act"; or
 - any insured may in the future receive written notice of a "wrongful act" or "claim";
- is not notice of a "wrongful act".

4. We will consider each "wrongful act" in a series of "related wrongful acts" to have been committed on the date of the first "wrongful act", including any continuation, change or resumption of such "wrongful act".
5. This insurance applies to "damages" arising out of a "wrongful act" committed anywhere in the world, but only if the insured's liability for "damages" is determined in:
 - a. A final judgment or adjudication in a "suit" on the merits brought in the United States of America, including its territories and possessions and Puerto Rico, or Canada; or
 - b. A settlement agreed to by us.

B. Insuring Agreement – Liability for Employment Practices Offense

1. We will pay those sums that the insured becomes legally obligated to pay as "damages" for a "claim" resulting from an "employment practices offense" to which this insurance applies. This insurance DOES NOT apply to any "claim" resulting from an "employment practices offense" which takes place in whole or in part prior to the Retroactive Date shown in the Declarations or subsequent to the termination of this policy.
2. We will have the right and duty to defend the insured against any "suit" seeking those "damages". For the purposes of this Coverage B, "suit" shall include an Equal Employment Opportunity Commission (EEOC) hearing or proceeding or equivalent state or local agency hearing or proceeding. However, we will have no duty to defend the insured against any "suit" seeking "damages" for an "employment practices offense" to which this insurance does not apply. We may, at our discretion, investigate any "employment practices offense" and settle any "claim" that may result.

However:

- a. The amount we will pay for "damages" is limited as described in **SECTION V – LIMITS OF INSURANCE**; and
- b. Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **Supplementary Payments (Section I. D)**.

3. This insurance applies to "damages" resulting from an "employment practices offense" only if:
 - a. The "employment practices offense" was committed:
 - (1) By an insured in the course and scope of his, her or its duties for you; and
 - (2) On or after the Retroactive Date shown in the Declarations and before the end of the policy period; and
 - b. A "claim" for "damages" is first made in writing against any insured during the policy period or any Extended Reporting Period we provide under **SECTION VIII – EXTENDED REPORTING PERIODS**.

A "claim" will be deemed to have been made when written notice of such "claim" is received by any insured or by us, whichever comes first. All "claims" resulting from an "employment practices offense" or a series of "related employment practices offenses" will be deemed to have been made when the first of those "claims" is made against any insured.

Notice to us that:

- all or part of any insured's acts or omissions may in the future be discovered to be an "employment practices offense"; or
- any insured may in the future receive written notice of an "employment practices offense" or "claim";

is not notice of an "employment practices offense".

4. We will consider each "employment practices offense" in a series of "related employment practices offenses" to have been committed on the date of the first "employment practices offense", including any continuation, change or resumption of such "employment practices offense".
5. This insurance applies to "damages" arising out of an "employment practices offense" committed anywhere in the world, but only if the insured's liability for "damages" is determined in:
 - a. A final judgment or adjudication in a "suit" on the merits brought in the United States of America, including its territories and possessions and Puerto Rico, or Canada; or

- b. A settlement agreed to by us.

C. Insuring Agreement – Liability for Employee Benefit Administration Offenses

1. We will pay those sums that the insured becomes legally obligated to pay as "damages" for a "claim" resulting from an offense in the "administration" of your "employee benefit plans" to which this insurance applies. This insurance DOES NOT apply to any "claim" resulting from an offense in the "administration" of "employee benefit plans" which takes place in whole or in part prior to the Retroactive Date shown in the Declarations or subsequent to the termination of this policy.
2. We will have the right and duty to defend the insured against any "suit" seeking those "damages". However, we will have no duty to defend the insured against any "suit" seeking "damages" for an offense in the "administration" of "employee benefit plans" to which this insurance does not apply. We may, at our discretion, investigate any offense in the "administration" of "employee benefit plans" and settle any "claim" that may result.

However:

- a. The amount we will pay for "damages" is limited as described in **SECTION V – LIMITS OF INSURANCE**; and
- b. Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **Supplementary Payments (Section I. D.)**.

3. This insurance applies to "damages" resulting from an offense in the "administration" of "employee benefit plans" only if:
 - a. The offense in the "administration" of "employee benefit plans" was committed on or after the Retroactive Date shown in the Declarations and before the end of the policy period; and
 - b. A "claim" for "damages" is first made in writing against any insured during the policy period or any Extended Reporting Period we provide under **SECTION VIII – EXTENDED REPORTING PERIODS**.

A "claim" will be deemed to have been made when written notice of such "claim" is received by any insured or by us, whichever comes first. All "claims" resulting from an offense in the "administration" of your "employee benefit plans" or a series of related offenses will be deemed to have been made when the first of those "claims" is made against any insured.

Notice to us that:

- all or part of any insured's acts or omissions may in the future be discovered to be an offense; or
- any insured may in the future receive written notice of an offense or "claim";

is not notice of an offense in the "administration" of your "employee benefit plans".

4. We will consider each offense in the "administration" of "employee benefit plans" in a series of related offenses to have been committed on the date of the first such offense including any continuation, change or resumption of such offense.
5. This insurance applies to "damages" arising out of an offense in the "administration" of "employee benefit plans" committed anywhere in the world, but only if the insured's liability for "damages" is determined in:
 - a. A final judgment or adjudication in a "suit" on the merits brought in the United States of America, including its territories and possessions and Puerto Rico, or Canada; or
 - b. A settlement agreed to by us.

D. Supplementary Payments

We will pay, with respect to any "claim" we investigate or settle, or any "suit" against an insured we defend, subject to your Deductible Amount:

1. All "loss adjustment expenses".
2. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds, nor will we be a principal under these bonds.
3. Up to \$1,000 a day for loss of earnings (but not other income) because of attendance at hearings or trials at our request.

4. All court costs taxed against the insured in the "suit", but only for that portion of the judgment we are obligated to pay. However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured. Instead, those costs, if awarded or paid in a settlement for a covered "claim", will be subject to **SECTION V – LIMITS OF INSURANCE**.
5. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
6. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.
7. The costs of any required appeal bond, but only for bond amounts for that portion of the judgment that is for "damages" that we are obligated to pay and which are within the applicable limit of insurance. We will pay or reimburse you for the cost of higher appeal bond amounts if we are required to do so. We do not have to furnish these bonds, nor will we be a principal under these bonds.

These payments will not reduce the limits of insurance. However, our duty to make such payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

SECTION II – Your Deductible

Our obligation to pay "damages" and Supplementary Payments on your behalf applies only to the amount of "damages" and Supplementary Payments, including "loss adjustment expenses", in excess of any Deductible Amount shown in the policy Declarations for Coverage **A**, Coverage **B** or Coverage **C**.

1. Limits of Insurance applicable to each "wrongful act", "employment practices offense", or an offense in the "administration" of your "employee benefit plans" will not be reduced by the Deductible Amount. The aggregate limit applicable to Coverage **A**, Coverage **B** or Coverage **C** will not be reduced by the application of the Deductible Amount.
2. The Deductible Amount applies to all "damages" and Supplementary Payments, including "loss adjustment expenses", for each "wrongful act", for each "employment practices offense", or for each offense in the "administration" of your "employee benefit plans" regardless of the number of insureds, persons, or organizations making "claims" or "claims" made because of such "wrongful act", "employment practices offense", or offense in the "administration" of your "employee benefit plans".
3. The terms of this insurance, including those with respect to:
 - a. Our right and duty to defend any "suits" seeking those "damages"; and
 - b. Your duties in the event of a "wrongful act", "employment practices offense", offense in the "administration" of your "employee benefit plans" or "claim";apply irrespective of the application of the Deductible Amount.
4. We may pay any part or all of the Deductible Amount to effect settlement of any "claim" and, upon notification of the action taken, you shall promptly reimburse us for such part of the Deductible Amount paid by us.

SECTION III – EXCLUSIONS

This insurance does not apply to:

1. Asbestos, Fungi or Bacteria, Nuclear

Any "claim" arising directly or indirectly out of, or in any way related to:

- a. Asbestos or asbestos-containing materials;
- b. Any radioactive matter or nuclear material; or
- c. "Fungi" or bacteria.

2. Bodily Injury, Property Damage, Personal and Advertising Injury

"Bodily injury", "property damage" or "personal and advertising injury".

This exclusion does not apply to "personal and advertising injury" when resulting from a covered "employment practices offense" under Coverage **B** of this Coverage Part.

This exclusion does not apply to loss of use or value of tangible property that is not physically impaired as a result of a land use approval process or permitting process associated with land use or building.

3. Claims Against Other Insureds

Any "claim" against any insured by any other insured.

This exclusion does not apply to Coverage **B** of this Coverage Part.

4. Contracts

Any "claim" arising directly or indirectly out of, or in any way related to:

- a. Liability assumed under any contract or agreement;
- b. Breach of contract or agreement to which any insured is a party or a third-party beneficiary;
- c. Any representations made in connection with a contract or agreement; or
- d. Tortious interference with a contract, agreement or business relations.

5. Dishonest, Malicious, Fraudulent Or Criminal Acts Or Willful Violations

Any "claim" arising directly or indirectly out of, or in any way related to any dishonest, malicious, fraudulent or criminal act or the willful violation of any statute, ordinance or regulation committed by or with the knowledge of the insured.

However, we will defend the insured for a "suit", subject to the other terms of this coverage part, until either a final judgment or adjudication establishes such an act or willful violation, or the insured confirms such act or willful violation.

6. Debt Financing

Any "claim" arising directly or indirectly out of, or in any way related to debt financing issued by or for you.

7. Declaratory & Injunctive Relief

Any "claim" or any part of any "claim" seeking injunctive, declaratory or equitable relief and related costs inclusive of any attorneys' fees or attorneys' expenses. This includes any amount required to comply with a court or administrative order, judgment, ruling, or decree that results from any action or demand, including, but not limited to, costs of physical alterations required to comply with the Americans with Disabilities Act or similar laws.

This exclusion does not apply to our duty to defend an EEOC or similar state or local agency administrative hearing or proceeding under Coverage **B** of this Coverage Part.

8. Eminent Domain or Condemnation

Any "claim" arising directly or indirectly out of, or in any way related to any impairment, deprivation or destruction of property, including loss of use or diminution in value thereof, resulting from proceedings in eminent domain or from inverse condemnation, by whatever name called.

9. Employment Practices

Any "claim" arising directly or indirectly out of, or in any way related to your "employment practices offenses". This exclusion does not apply to Coverage **B** of this Coverage Part.

10. ERISA, COBRA, OSHA, WARN and NLRA Act Liability

Any "claim" arising directly or indirectly out of, or in any way related to an insured's obligations under:

- a. The Employee Retirement Income Security Act of 1974 (ERISA);
- b. The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA);
- c. Fair Labor Standards Act of 1938 (except Equal Pay Act);
- d. The Worker Adjustment and Retraining Notification Act, Public Law 100-379 (1988) (WARN);
- e. Occupational Safety and Health Act (OSHA);
- f. National Labor Relations Act of 1947 (NLRA); or
- g. Any similar federal, state, or local laws or regulations;

including subsequent amendments or any regulations promulgated thereunder.

This exclusion does not apply to a retaliation offense under Coverage **B** of this Coverage Part.

11. Failure to Maintain Insurance

The failure to effect or maintain:

- a.** Insurance of any kind, including adequate limits of insurance; or
- b.** Suretyship or bonds.

This exclusion does not apply to Coverage **C** of this Coverage Part.

12. Governmental Enforcement Action

Any "claim" by any federal, state or local government arising directly or indirectly out of, or in any way related to an insured's willful violation of any federal, state, or local law, rule, or regulation.

13. Health Care and Social Services

Any "claim" arising directly or indirectly out of, or in any way related to a "health care and social services wrongful act", or services provided by any medical doctor, wherever provided, or any services provided by a nurse at a nursing home, hospice or similar residential facility.

This exclusion does not apply to:

- a.** An "employment practices offense" involving your health care or social service agency under Coverage **B** of this Coverage Part; or
- b.** An offense in the "administration" of "employee benefit plans" involving your health care or social service agency under Coverage **C** of this Coverage Part.

14. Known Prior Acts

Any "claim" arising directly or indirectly out of, or in any way related to any "wrongful act", "employment practices offense" or any offense in the "administration" of "employee benefit plans" which takes place prior to the inception date of this Coverage Part or any continuous Coverage Part issued by us or any affiliated insurance company, if any of your officers, your legal department or an "employee" you designate to give or receive notice of a "wrongful act", "employment practices offense" or offense in the "administration" of "employee benefit plans" knew or reasonably should have foreseen that such "wrongful act", "employment practices offense" or offense in the "administration" of "employee benefit plans" might give rise to a "claim".

A "wrongful act", "employment practices offense" or offense in the "administration" of "employee benefit plans" will be considered known to have taken place at the earliest time when any of your officers, your legal department or an "employee" you designate to give or receive notice of a "wrongful act", "employment practices offense" or offense in the "administration" of "employee benefit plans" or "claim":

- a.** Reports all, or any part, of the "wrongful act", "employment practices offense" or any offense in the "administration" of "employee benefit plans" to us or any other insurer;
- b.** Receives a written or verbal demand or "claim" for damages; or
- c.** Becomes aware by any other means that a "wrongful act", "employment practices offense" or offense in the "administration" of "employee benefit plans" has taken place or has begun to take place.

15. Law Enforcement

Any "claim" arising directly or indirectly out of, or in any way related to any "law enforcement activity". This exclusion does not apply to:

- a.** An "employment practices offense" committed by your law enforcement agency under Coverage **B** of this Coverage Part; or
- b.** An offense in the "administration" of "employee benefit plans" committed by your law enforcement agency under Coverage **C** of this Coverage Part.

16. Performance of Employee Benefit Plans

Any "employment practices offense" or any offense in the "administration" of "employee benefit plans" arising directly or indirectly out of, or in any way related to:

- a.** Failure of any investment program, individual securities or savings program to perform as held forth by or represented by an insured;
- b.** Advice given by an insured in connection with participation or non-participation in stock subscription plans, savings programs or any other "employee benefit plan";

- c. Errors in providing information or failing to provide information on past performance of investment vehicles;
- d. Failure of any insured or any insurer, fiduciary, trustee or fiscal agent to perform any of their duties or obligations or to fulfill any of their guarantees with respect to the payment of benefits under "employee benefit plans" or the providing, handling or investment of funds;
- e. The liability of others which is assumed by any insured under a contract or agreement, except to the extent the insured would have been liable in the absence of the contract or agreement;
- f. Any "claim" for the return of compensation paid by any insured if a court determines that the payment was illegal; or
- g. Any "claim" for benefits that are lawfully paid or payable to a beneficiary from the funds of an "employee benefit plan".

17. Pollution

- a. Any "claim" arising directly or indirectly out of, or in any way related to the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.
- b. Any "claim" arising directly or indirectly or in any way related to any:
 - (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or
 - (2) Any "claim" 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".

18. Profit, Advantage or Remuneration

Any "claim" arising directly or indirectly out of, or in any way related to any insured gaining any profit, advantage or remuneration to which that insured is not legally entitled.

19. Sexual Abuse

Any "claim" arising directly or indirectly out of, or in any way related to "sexual abuse" of any person or the negligent:

- a. Employment;
- b. Investigation;
- c. Supervision;
- d. Reporting to the proper authorities, or failing to so report; or
- e. Retention;

of any person who actually or allegedly committed or attempted to commit "sexual abuse" for whom any insured is or ever was legally responsible.

20. Strikes, Riot, Civil Commotion or Mob Action

Any "claim" arising directly or indirectly out of, or in any way related to any lockout, strike, picket line, replacement or other similar actions resulting from labor disputes or labor negotiations or any act or omission in connection with the prevention or suppression of a riot, civil commotion or mob action.

21. Tax Assessments

Any "claim" arising directly or indirectly out of, or in any way related to any tax assessments or adjustments, or the collection, refund, disbursement or application of any taxes. This exclusion does not apply to the use or prioritization of your operating funds.

22. War

Any "claim", however caused, arising directly or indirectly out of, or in any way related to:

- 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.

23. Workers' Compensation and Similar Laws

Any "claim" arising directly or indirectly out of, or in any way related to any obligation of any insured under a workers' compensation, disability benefits or unemployment compensation law, or any similar law.

24. Employee Benefits, Perquisites and Perks

Any "claim" for benefits, perquisites or perks of any kind, including benefits under "employee benefits plans".

This exclusion does not apply to Coverage **A** or **C** of this Coverage Part.

SECTION IV – WHO IS AN INSURED

If you are designated in the Declarations as a governmental unit, you are an insured. Each of the following is also an insured:

1. Your current or previously elected or appointed officials, but only for the conduct of their duties as your elected or appointed officials.
2. Any of your authorities, boards, commissions, councils, districts or other governmental units and their employees, which you control and which are funded and operated as part of your total operating budget, and for which no other similar insurance is available.
3. Your "employees" or "volunteer workers" but only for acts within the course and scope of their employment or volunteer activities by or for you.
4. Any person or organization providing services to you under any mutual aid or similar agreement, but only within the scope of the mutual aid or agreement
5. If a person qualifies as an insured under Paragraphs 1., 2. or 3. above, his or her spouse is also an insured.
6. Upon death of an insured, his or her legal representative, but only with respect to duties as such. That representative will have all the rights and duties of such insured.

SECTION V – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. "Claims" made; or
 - c. Persons or organizations making "claims".
2. The most we will pay for the sum of all "damages" resulting from the same "wrongful act" or "related wrongful acts" is the Each Wrongful Act Limit shown in the Declarations.
3. The most we will pay for the sum of all "damages" resulting from the same "employment practices offense" or "related employment practices offenses" is the Each Employment Practices Offense Limit shown in the Declarations.
4. The most we will pay for the sum of all "damages" resulting from the same offense or series of related offenses in Employee Benefit Administration is the Each Employee Benefit Administration Offense Limit shown in the Declarations.
5. The most we will pay for all "damages", "claims", "suits" or actions under Coverage **A** is the Wrongful Act Aggregate Limit shown in the Declarations.
6. The most we will pay for all "damages", "claims", "suits" or actions under Coverage **B** is the Employment Practices Offense Aggregate Limit shown in the Declarations.
7. The most we will pay for all "damages", "claims", "suits" or actions under Coverage **C** is the Each Employee Benefit Administration Aggregate Limit shown in the Declarations.

SECTION VI – CONDITIONS

1. Bankruptcy

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

2. Duties In The Event Of A Wrongful Act, Employment Practices Offense, Employee Benefit Administration Offense, Claim Or Suit

a. You must see to it that we are notified as soon as practicable of a "wrongful act", "employment practices offense", an offense in the "administration" of your "employee benefit plans", or an offense which may result in a "claim". To the extent possible, notice should include:

- (1) How, when and where the "wrongful act", "employment practices offense", or an offense in the "administration" of your "employee benefit plans", took place;
- (2) The names and addresses of any injured persons and witnesses;
- (3) The nature and location of any injury or "damage" arising out of the "wrongful act", "employment practices offense", or an offense in the "administration" of your "employee benefit plans"; and
- (4) The manner in which each insured first became aware of the circumstances involved.

Notice of a "wrongful act", "employment practices offense" or an offense in the "administration" of "employee benefit plans" is not notice of a "claim".

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

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

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

c. You and any other involved insured must:

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

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

3. Legal Action Against Us

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

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

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

4. Other Insurance

If other valid and collectible insurance is available to any insured for a loss we cover under Coverages **A**, **B** or **C** of this Coverage Part, our obligations are limited as follows:

Other Insurance means insurance, or the funding of losses, that is provided by or through:

- Another insurance company;
- Any of our affiliated insurance companies;
- Any risk retention group;
- Any self-insurance, group self-insurance, or similar risk transfer approach, other than any funded by you and to which this coverage part applies.

However, other insurance does not mean umbrella or excess insurance issued to you to apply in excess of the limits of this coverage part.

a. Primary Insurance

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

b. Excess Insurance

- (1) This insurance is excess over any other insurance available to you covering liability for "damages" arising out of "wrongful acts", "employment practices offense" or an offense in the "administration" of "employee benefit plans".
- (2) This insurance is excess over any other insurance that is available during any applicable Supplemental Reporting Period, whether on a primary, excess, contingent, or any other basis.
- (3) When this insurance is excess, we will have no duty under Coverages **A, B** or **C** to defend any insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.
- (4) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:
 - (a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
 - (b) The total of all deductible and self-insured amounts under all that other insurance.
- (5) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method Of Sharing

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

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

d. Risk Transfer

Whenever you enter into an agreement with another party requiring the other party to provide liability insurance to you, this Coverage Part will be excess over any other valid and collectible insurance that has been provided to you, except insurance specifically arranged to be excess of this Coverage Part.

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

5. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.
- d. We may waive this condition at our option.

6. Representations

By accepting this policy, you agree:

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

The unintentional error or omission in any information provided by you will not be deemed to be a misrepresentation. However, this provision does not affect our right to collect additional premium or to exercise our rights of cancellation or non-renewal.

7. Separation Of Insureds

Except with respect to all exclusions contained within **SECTION I – COVERAGES**, **SECTION V – LIMITS OF INSURANCE**, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

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

8. Transfer Of Rights Of Recovery Against Others To Us

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

9. When We Do Not Renew

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

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

SECTION VII – DEFINITIONS

- 1. "Administration" means any of the following acts that you do or authorize a person to do:
 - a. Counseling "employees", "volunteer workers" or elected or appointed officials, other than giving legal advice, on "employee benefit plans";
 - b. Interpreting your "employee benefit plans";
 - c. Handling records for your "employee benefit plans"; and
 - d. Effecting enrollment, termination or cancellation of "employees", "volunteer workers" or elected or appointed officials under your "employee benefit plans".
- 2. "Bodily injury" means physical harm, sickness or disease sustained by a person, including death resulting from any of these at any time. "Bodily injury" also includes mental anguish, emotional distress or illness if the mental anguish, emotional distress or illness results from such physical harm, sickness or disease at any time. "Bodily injury" also includes loss of care or services resulting from such physical harm, sickness or disease at any time.
- 3. "Claim(s)" means an oral or written demand for payment of money "damages", including a "suit".
- 4. "Damages" means money damages.

"Damages" does not include:

 - a. Amounts awarded as liquidated damages pursuant to any federal or state statute;
 - b. The multiple portion of any multiplied damage award;
 - c. Fines, penalties, taxes, sanctions or assessments;
 - d. Non-monetary relief;
 - e. Payment, restitution, return or disgorgement of any fees, profits, commissions, charges, or any funds allegedly wrongfully or unjustly held or obtained;
 - f. Amounts payable under **Supplementary Payments (Section I. D)**;
 - g. Punitive or exemplary damages, unless insurable under applicable law; or

- c. Ownership, maintenance, operation or use of any premises by your law enforcement operations;
 - d. Any criminal prosecution activity by judicial officers, prosecution attorneys and their staff, other than public defenders, criminal defense attorneys and their staff; or
 - e. Emergency services dispatch operations conducted by you.
12. "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".
13. "Loss adjustment expenses" means our expenses incurred to adjust a "claim" and include fees paid to attorneys, experts, and investigators used to defend a "suit". "Loss adjustment expenses" does not include the cost of our salaried claims staff and their office expenses or independent adjusters
14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
- a. False arrest, detention or imprisonment;
 - b. Malicious prosecution;
 - c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
 - d. "Publication" of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - e. "Publication" of material that violates a person's right of privacy;
 - f. The use of another's advertising idea in your advertisement; or
 - g. Infringing upon another's copyright, trade dress or slogan in your advertisement.
15. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
16. "Property damage" means:
- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
 - b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.
- For the purposes of this insurance, electronic data is not tangible property.
- As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.
17. "Publication" means any method of announcing or disseminating any material to any third party.
18. "Related employment practices offenses" means any multiple, repeated or continuous "employment practices offense" that is logically or causally connected by facts or circumstances or a series of any "employment practices offenses" logically or causally connected by facts or circumstances
19. "Related wrongful acts" means any multiple, repeated or continuous "wrongful act" that is logically or causally connected by facts or circumstances or a series of any "wrongful acts" logically or causally connected by facts or circumstances.
20. "Sexual abuse" means any actual, attempted or alleged sexual conduct by a person, or by persons acting in concert, which causes injury. "Sexual abuse" includes sexual molestation, sexual assault, sexual exploitation or sexual injury, but does not include "sexual harassment".
21. "Sexual harassment" means any actual, attempted or alleged unwelcome sexual advances, requests for sexual favors, or other conduct of a sexual nature by a person, or by persons acting in concert, which causes injury. "Sexual harassment" includes:
- a. The above conduct when submission to or rejection of such conduct is made either explicitly or implicitly a condition of a person's employment, or a basis for employment decisions affecting a person; or

- b. The above conduct when such conduct has the purpose or effect of unreasonably interfering with a person's work performance or creating an intimidating, hostile or offensive work environment.
- 22. "Suit" means a civil proceeding alleging "damages" to which this insurance applies. "Suit" includes:
 - a. An arbitration proceeding in which "damages" are claimed and to which the insured must submit or does submit with our consent; or
 - b. Any other alternative dispute resolution proceeding in which "damages" are claimed and to which the insured submits with our consent.
- 23. "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.
- 24. "Volunteer worker" means a person who is not your "employee" and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.
- 25. "Wrongful act(s)" means any actual or alleged act, error, misstatement, misleading statement, omission, neglect or breach of duty by an insured.

SECTION VIII – EXTENDED REPORTING PERIODS

1. We will provide one or more Extended Reporting Periods, as described below, if:
 - a. This Coverage Part is cancelled or not renewed; or
 - b. We renew or replace this Coverage Part with insurance that:
 - (1) Has a Retroactive Date later than the date shown in the Declarations of this Coverage Part; or
 - (2) Does not apply to a "wrongful act", "employment practices offense" or offense in the "administration" of "employee benefit plans" on a claims-made basis.
2. Extended Reporting Periods do not extend the policy period or change the scope of coverage provided. They apply only to "claims" for a "Wrongful act", "employment practices offense" or offense in the "administration" of "employee benefit plans" that take place before the end of the policy period but not before the Retroactive Date, if any, shown in the Declarations.

Once in effect, Extended Reporting Periods may not be cancelled and the entire premium shall be deemed fully earned and non-refundable upon payment.
3. A Basic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the policy period and lasts for sixty days. During this period, you will have the right, subject to Paragraph 2. of this section, to report "claims" made and consistent and in accordance with paragraph 2.a. of **SECTION VI – CONDITIONS**, any "wrongful act", "employment practices offense" or offense in the "administration" of "employee benefit plans" which may later result in a "claim".

The Basic Extended Reporting Period does not apply to "claims" that are covered under any subsequent insurance you purchase, or that would be covered but for exhaustion of the amount of insurance applicable to such "claims".
4. The Basic Extended Reporting Period does not reinstate or increase the Limits of Insurance.
5. A Supplemental Extended Reporting Period is available, but only by an endorsement and for an extra charge. This supplemental period starts when the Basic Extended Reporting Period, set forth in paragraph 3. above, ends.

You must give us a written request for the endorsement within 60 days after the end of the policy period. The Supplemental Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due and you have fulfilled all other duties, and complied with all other conditions and requirements, under this Coverage Part.

We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:

 - a. The exposures insured;
 - b. Previous types and amounts of insurance;
 - c. Limits of Insurance available under this Coverage Part for future payment of "damages"; and
 - d. Other related factors.

The additional premium will not exceed 200% of the annual premium for this Coverage Part

This endorsement shall set forth the terms, not inconsistent with this Section, applicable to the Supplemental Extended Reporting Period, including a provision to the effect that the insurance afforded for "claims" first received during such period is excess over any other valid and collectible insurance available under policies in force after the Supplemental Extended Reporting Period starts.

6. If the Supplemental Extended Reporting Period is in effect, we will provide the supplemental aggregate limits of insurance described below, but only for "claims" first received and recorded during the Supplemental Extended Reporting Period.

The supplemental aggregate limits of insurance will be equal to the dollar amount shown in the Declarations in effect at the end of the policy period for such of the following limits of insurance for which a dollar amount has been entered:

Each Wrongful Act

Each Employment Practices Offense

Each Employee Benefit Administration

Wrongful Act Aggregate Limit

Employment Practices Offense Aggregate Limit

Employee Benefit Administration Aggregate Limit

SECTION V – LIMITS OF INSURANCE of this coverage part will be amended accordingly.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION – ACCESS OR DISCLOSURE OF
CONFIDENTIAL OR PERSONAL INFORMATION AND
DATA-RELATED LIABILITY; COMPUTER OR COMPONENTS; NETWORK
SECURITY OR HACKING EVENT**

This endorsement modifies insurance provided under the following:

PUBLIC OFFICIAL ERRORS & OMISSIONS COVERAGE PART
PUBLIC OFFICIAL ERRORS & OMISSIONS COVERAGE PART (CLAIMS-MADE)

1. The following exclusion is added to **SECTION III – EXCLUSIONS:**

Access Or Disclosure Of Confidential Or Personal Information

Any "claim" arising directly or indirectly out of, or in any way related to any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

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

2. The following exclusion is added to **SECTION III – EXCLUSIONS:**

Computer Or Computer Components

Any "claim" arising directly or indirectly out of, or in any way related to the creation, development, design, manufacture, programming, leasing, licensing, distribution, assembly, installation, alteration, modification or sale of any:

- (1) Computer;
- (2) Computer component, including any hardware, network, terminal device, data storage device, input and output device or back-up facility;
- (3) System, including an application, program, software, code or script; or
- (4) "Electronic data".

3. The following exclusion is added to **SECTION III – EXCLUSIONS:**

Network Security or Hacking Event

Any "claim" arising directly or indirectly out of, or in any way related to any "network security or hacking event".

4. The following is added to the **DEFINITIONS SECTION:**

"Network security or hacking event" means the failure or inability of any:

- a. Computer;
- b. Computer component, including any hardware, network, terminal device, data storage device, input and output device or back-up facility; or
- c. System, including an application, program, software, code or script;

to perform or function as planned or intended, including the failure or inability of any system to prevent any hack, virus, contaminant, worm, trojan horse, logic bomb or unauthorized or unintended access or use of any such system.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW MEXICO CHANGES – YOUR RIGHT TO CLAIM INFORMATION

This endorsement modifies insurance provided under the following:

PUBLIC OFFICIALS ERRORS AND OMISSIONS LIABILITY COVERAGE PART (CLAIMS-MADE)

The following is added to **SECTION VI – CONDITIONS**

YOUR RIGHT TO CLAIM AND WRONGFUL ACT INFORMATION

We will provide the first Named Insured shown in the Declarations the following information relating to this and any preceding general liability claims-made Coverage Part we have issued to you during the previous three years:

- a.** A list or other record of each "wrongful act", "employment practices offense", or an offense in the "administration" of your "employee benefit plans", not previously reported to any other insurer, of which we were notified in accordance with paragraph **2.a.** of the Duties in the Event of A Wrongful Act, Employment Practices Offense, Employee Benefit Administration Offense, Claim or Suit Condition (Section **VI**). We will include the date and brief description of the "wrongful act", "employment practices offense", or an offense in the "administration" of your "employee benefit plans" if that information was in the notice we received.
- b.** A summary by policy year, of payments made and amounts reserved, stated separately, under any applicable Aggregate Limit.

We will also provide the first Named Insured shown in the Declarations the following information relating to this general liability coverage form:

- a.** The sum of all premiums charged or billed by the insurer; and
- b.** A list of all pending open claims.

Amounts reserved are based on our judgment. They are subject to change and should not be regarded as ultimate settlement values.

If we cancel or elect not to renew this Coverage Part, we will provide such information no later than 30 days before the date of policy termination, or within 60 days of the first Named Insured's written request. In other circumstances, we will provide this information only if we receive a written request from the first Named Insured within 60 days after the end of the policy period. In this case, we will provide this information within 45 days of receipt of the request.

We compile claim and "wrongful act", "employment practices offense", or an offense in the "administration" of your "employee benefit plans" information for our own business purposes and exercise reasonable care in doing so. In providing this information to the named insured, we make no representations or warranties to insureds, insurers, or others to whom this information is furnished by or on behalf of any insured. Cancellation or nonrenewal will be effective even if we inadvertently provide inaccurate information.