

IN THE UNITED STATES DISTRICT COURT FOR THE WESTERN DISTRICT OF PENNSYLVANIA

WINDBER HOSPITAL d/b/a CHAN	:	No: 2:20-cv-80
SOON SHIONG MEDICAL CENTER,	:	
on behalf of himself and all others	:	
similarly situated	:	
	:	
	:	
Plaintiff,	:	COMPLAINT – CLASS ACTION
	:	
	:	
vs.	:	
	:	
TRAVELERS PROPERTY CASUALTY	:	
COMPANY OF AMERICA	:	JURY TRIAL DEMANDED
	:	
Defendant.	:	

**CLASS ACTION COMPLAINT**

**AND NOW**, Plaintiff Windber Hospital (herein “Plaintiff” or “Plaintiff Medical Center”) brings this action individually and on behalf of others similarly situated (The proposed Class), and alleges as and for their Class Action Complaint against: Travelers Property Casualty Company of America (hereinafter referred to as “Defendant Travelers” or “Defendant”), upon personal knowledge as to itself, and its own acts, and to all other matters upon information and belief, based upon, *inter alia*, the investigation made by its attorneys, as follows:

**INTRODUCTION**

1. This is a proposed class action brought by Plaintiff Medical Center on behalf of itself and others similarly situated citizens of the Commonwealth of Pennsylvania who have sustained covered losses caused by COVID-19

virus and were issued a policy of insurance providing , *inter alia*, business income, extra expense, contamination, civil authority and other applicable coverages to each class member; (b) the putative class member has suffered covered losses under those policies by reason of the COVID-19 virus and referenced Orders; and (c) Defendant Travelers has disclaimed coverage and/or refused to acknowledge coverage under the policy in question for the loss.

2. The present action seeks declaratory and injunctive relief with respect to insurance coverage for losses caused by the COVID-19 virus and the governmental Orders entered in connection therewith.

### **PARTIES**

3. Plaintiff, Chan Soon – Shiong Medical Center at Windber (“Medical Center”) is a corporation organized and existing under the Commonwealth of Pennsylvania, with its principal place of business located at 600 Somerset Avenue, Windber, Pennsylvania 15963; as such, Plaintiff is a citizen of the Commonwealth of Pennsylvania.

4. Plaintiff owns and operates Chan Soon – Shiong Medical Center at Windber, Johnstown and Portage, Pennsylvania.

5. Defendant, Travelers Property Casualty Company of America, (“Travelers”) is a corporation organized and existing under the laws of the State of Connecticut with its principal place of business in Hartford,

Connecticut, being duly authorized to and regularly and routinely conducting business in the Commonwealth of Pennsylvania.

### **JURISDICTION AND VENUE**

6. This court has jurisdiction over the claims asserted herein pursuant to 28 U.S.C. § 1332(d)(2)(A) in that the amount in controversy exceeds the sum or value of \$5,000,000.00, exclusive of interest and costs, and is class action in which members of the Putative Class are citizens of States different from Defendant Travelers.

7. No administrative or other non-judicial adjudicative body in the Commonwealth of Pennsylvania has jurisdiction or authority to hear disputes raised in this litigation regarding Plaintiff's and the proposed class' claims against Defendant Travelers.

8. Venue is proper pursuant to 15 U.S.C. § 80b-14 and U.S.C. § 1391.

9. Defendant Travelers regularly conducts and solicits business in this District.

### **INSURANCE COVERAGE**

10. At all times material hereto, there existed, in full force and effect, a Deluxe Property Policy (No. P-630-4C211340-TIL-19) ("Travelers Policy") issued by Defendant, Travelers, to Plaintiff, Medical Center, providing, *inter alia*, property, business, personal property, business income, extra expense, continuation, civil authority and additional coverages applicable to the losses

claimed in this action. A true and correct copy of the Travelers Policy is attached hereto and marked as Exhibit "A".

11. The Travelers Policy was in effect and provided coverage for the period October 19, 2019 to October 19, 2020.

12. The Travelers Policy is an "All Risks" policy which provides coverage for losses to the insured premises unless specifically excluded.

13. The Travelers Policy does not exclude the losses caused by the Coronavirus Pandemic.

14. The Travelers Policy provides coverage for the losses incurred by Plaintiff, Medical Center, as a result of the Coronavirus Pandemic and the actions of the government in response thereto.

#### **CORONAVIRUS PANDEMIC**

11. The Center for Disease Control and the World Health Organization has for years warned of the possibility of an airborne virus which could cause a worldwide pandemic.

12. Coronavirus COVID-19 is a highly contagious airborne virus which has rapidly spread and continues to spread across the United States.

13. COVID-19 has been declared a pandemic by the World Health Organization.

14. The COVID-19 virus remains stable and transmittable in aerosols and various surfaces for prolonged periods of time, up to two to three days on some surfaces.

15. The COVID-19 pandemic has been exacerbated by the fact that the virus infects and stays on the surfaces of objects and materials for prolonged periods.

16. The COVID-19 virus is a public health crisis that has profoundly affected all aspects of society, including the ability of the public to congregate and gather.

17. The Center for Disease Control has issued guidance that gatherings of more than ten (10) people should not occur; such gatherings increase the danger of contracting the COVID19 virus.

18. On March 6, 2020, Governor Tom Wolf issued a Proclamation of Disaster Emergency as a result of the COVID-19 virus.

19. On March 19, 2020, Governor Tom Wolf issued an Order requiring all non-life sustaining businesses in the Commonwealth to cease operation and to close all physical locations.

20. On March 23, 2020, Governor Tom Wolf issued a Stay at Home Order for citizens of various counties in Pennsylvania.

21. On March 23, 2020 the Pennsylvania Department of Health issued a similar Order noting that the “operation of non-life sustaining businesses present the opportunity for unnecessary gatherings, personal contact and interaction that will increase the risk of transmission and the risk of community spread of COVID-19.”

22. On April 1, 2020, Governor Tom Wolf enforced the March 23, 2020 Stay at Home Order to the entire Commonwealth of Pennsylvania.

23. On April 20, 2020, Governor Tom Wolf extended the March 23, 2020 Stay at Home Order to May 8, 2020 for the entire Commonwealth of Pennsylvania.

24. The COVID-19 virus, as evidenced by these Orders, causes damage to property, particularly in places of business, such as that of Plaintiff, Medical Center, and other similarly situated persons and organizations, where the operation of the business requires inter-action, gatherings and contact in areas where there exists a heightened risk of contamination by the COVID-19 virus.

#### **IMPACT OF COVID-19 VIRUS**

25. As a result of the impact of the COVID-19 virus and the referenced Orders of the Governor, Plaintiff, Medical Center, has been ordered to close its business and forced to furlough employees, thereby incurring loss.

26. As a result of the impact of the COVID-19 virus and the referenced Orders of the Governor, many similarly situated businesses have been ordered to close, thereby incurring losses similar to Plaintiff.

27. The business of Plaintiff, Medical Center, like many businesses, operates in “closed environment” where many persons, including employees and customers, cycle in and out thereby creating a risk of contamination to the insured premises.

28. As a result of the COVID-19 virus, the business of Plaintiff, Medical Center, like other similarly situated businesses, is susceptible to person to person, person to property, and property to person transmittal and contamination.

29. The COVID-19 pandemic has directly and adversely affected the business operations of Plaintiff, Medical Center, by causing damage and the risk of further harm to the property and its occupants.

30. Plaintiff, Medical Center, has suffered Business Income, Civil Authority and other related losses which are covered by policies of insurance issued by the Travelers Policy.

#### **PLAINTIFF'S ALLEGATIONS**

31. Plaintiff, Medical Center, has made claim upon Defendant, Travelers, for recovery of losses caused by the COVID-19 virus and the referenced Orders.

32. Plaintiff, Medical Center, is entitled to a declaration that he is covered under the Travelers Policy for, *inter alia*, business income, extra expense, contamination, civil authority and other coverages under the Travelers Policy.

33. Plaintiff, Medical Center, is entitled to recover for all losses caused by the COVID-19 virus and the referenced Orders under the Travelers Policy.

34. Defendant, Travelers, has wrongfully denied the claims Plaintiff, Medical Center, for recovery of damages caused by the COVID-19 virus and

referenced Orders. A true and correct copy of the Travelers Denial of Coverage Letter is attached hereto and marked as Exhibit "B".

35. Plaintiff, Medical Center, is entitled to a declaration that the policies of insurance issued Defendant, Travelers, provide coverage for the losses caused by the COVID-19 virus and referenced Orders.

36. Plaintiff, Medical Center, is entitled to an Order enjoining Defendant, Travelers, from denying coverage to insureds for business income, extra expense, contamination, civil authority and other coverages for losses caused by the COVID-19 virus and referenced Orders.

#### **CLASS ACTION ALLEGATIONS**

37. Plaintiff and the Class incorporate by reference each preceding and succeeding paragraph as though fully set forth therein.

38. Plaintiff brings all claims herein as class pursuant to Fed. R. Civ. P. 23. The requirements of Fed. R. Civ. P. 23 (a), (b)(2) and (b)(3) are met with the class defined below.

39. Defendant, Travelers, has wrongfully denied and/or failed to acknowledge the coverage to persons or organizations who have sustained covered losses caused by the COVID-19 virus and the referenced Orders.

40. Plaintiff, Medical Center, seeks to represent a class of Pennsylvania citizens who have sustained covered losses caused by the COVID-19 virus and the referenced Orders where: (a) Defendant, Travelers, issued a policy of



insurance providing, *inter alia*, business income, extra expense, contamination, civil authority and other applicable coverages to each class member; (b) the putative class member has suffered covered losses under those policies by reason of the COVID-19 virus and referenced Orders; and (c) Defendant, Travelers, has disclaimed coverage and/or refused to acknowledge coverage under the policy in question for the loss.

41. Plaintiff, Medical Center, reserves the right to amend the definition and/or identify subclasses upon completion of class certification.

42. The putative class is limited to citizen citizens of the Commonwealth of Pennsylvania in numbers sufficient to allow class certification.

43. The members of the class are so numerous that joinder of them is impracticable.

44. Identification of the members of the class can be ascertained in and through discovery of the files and/or computer data base of Defendant, Travelers.

45. A class action is the only practicable means available for the members of the class to pursue the appropriate remedies and receive the necessary underinsured motorist benefits under the policies of insurance in question.

46. A class action is the only practicable means available to prevent the Defendant, Travelers, from engaging in the continuous and systematic denial

and disclaimer of coverage for losses caused by the COVID-19 virus and referenced Orders.

47. The questions of law and fact are common to the members of the class which Plaintiff, Medical Center, seeks to represent.

48. The questions of law and fact common to the members of the class predominate over questions that may affect only individual members.

49. The common questions of law and fact which control this litigation predominate over any individual issues include, but are not limited to:

(a) Each member of the class suffered losses as a result of the COVID-19 virus and referenced Orders;

(b) Each member of the class is an insured under a policy of insurance issued by Defendant, Travelers, which provided business income, extra expense, contamination, civil authority and other coverages applicable to the loss;

(c) Each class member is eligible to recover under the policy issued by Defendant, Travelers, for the losses caused by the COVID-19 virus and the referenced Orders;

(d) Defendant, Travelers, has denied or refused to acknowledge coverage for the loss;

(e) The denial or refusal to acknowledge coverage is illegal and a breach of the terms and provisions of the policy at issue; and

(f) Each member of the class is entitled to a declaration that he or she is entitled to recover under the policy of insurance issued by Defendant, Travelers, for the losses caused by the COVID-19 virus and referenced Orders.

50. Plaintiff, Medical Center, is a member of the class that he seeks to represent.

51. The claims Plaintiff, Medical Center, are typical of the claims of other members of the class which he purports to represent.

52. Plaintiff, Medical Center, is well qualified to act as class representative.

53. Plaintiff, Medical Center, will fairly and adequately protect the interests of the members of the class.

54. Plaintiff, Medical Center, has no interest that is adverse or antagonistic to the interests of the members of the class.

55. Plaintiff, Medical Center, is committed to prosecuting the class action.

56. Plaintiff, Medical Center, has retained competent counsel who are experienced in litigation of this nature.

57. A class action is superior to other available methods for the fair and efficient adjudication of the controversy.

58. The expense and burden of individual litigation makes it unlikely that a substantial member of the class members will individually seek redress for the wrongs done to them.

59. It is desirable for all concerned to concentrate the litigation in this particular forum for adjudication.

60. Plaintiff, Medical Center, anticipates no difficulty in the management of this action as a class action.

61. The class action brought by Plaintiff, Medical Center, is a convenient and proper forum in which to litigate the claim.

62. The prosecution of separate actions by individual class members would create the risk of bearing inconsistent determinations that could confront Defendant, Travelers, with incompatible standards of conduct and which could prejudice non-parties to any adjudication or substantially impede their ability to protect their own interests because of the overriding common questions of law and fact involved in the matter.

63. Prosecution of these claims as a class action will result in an orderly and expeditious administration of the claims and will foster economies of time, effort and expense.

64. Prosecution of these claims as a class action will contribute to uniformity of decisions concerning the practices of Defendant, Travelers.

**CAUSE OF ACTION**  
**COUNT I**  
**(Declaratory Relief)**

65. Plaintiff, Medical Center, hereby incorporates by reference the foregoing Paragraphs 1 through 35 of this Complaint as though same were fully set forth herein.

66. Plaintiff, Medical Center, is entitled to coverage under the Travelers Policy for the losses caused by the COVID-19 virus and referenced Orders.

67. Defendant, Travelers, has denied and/or refused to acknowledge coverage for the losses of Plaintiff, Medical Center, caused by the COVID-19 virus and the referenced Orders.

68. Plaintiff, Medical Center, is entitled to recover for losses covered by the COVID-19 virus and the referenced Orders under the Travelers Policy.

69. Defendant, Travelers, has wrongfully refused to provide coverage to Plaintiff, Medical Center, under the Travelers Policy.

70. The denial and refusal to acknowledge coverage to Plaintiff, Medical Center, under the Travelers Policy is a material breach of that policy.

71. The denial and refusal to acknowledge coverage to Plaintiff, Medical Center, under the Travelers Policy is in direct violation of the specific terms and provisions of the Travelers Policy.

72. Plaintiff, Medical Center, is entitled to a declaration that he is entitled to coverage for losses caused by the COVID-19 virus and the referenced Orders.

73. The controversy poses an issue for judicial determination under the Declaratory Judgment Act.

74. The controversy involves substantial rights of the parties to the action.

75. The controversy poses an issue for judicial determination which is not within the scope of authority of any arbitrator or arbitration panel pursuant to the policy of insurance in question.

76. A judgment of this court in this action will also be useful for the purpose of clarifying and settling the legal relations at issue between the parties.

77. A judgment of this court will determine, terminate and afford relief from the uncertainty and controversy giving rise to this action.

WHEREFORE, Plaintiff, Chan Soon – Shiong Medical Center at Windber, respectfully requests that the Court enter an Order:

- (a) declaring that Plaintiff, Chan Soon – Shiong Medical Center at Windber, is entitled to coverage for losses caused by the COVID-19 virus and the referenced Orders from Defendant, Travelers Property Casualty Company of America;
- (b) such other relief as the court deems appropriate.

**COUNT II**  
**(Injunctive Relief)**

49. Plaintiff, Medical Center, hereby incorporates by reference the foregoing Paragraphs 1 through 48 of this Complaint as though same were fully set forth herein.

50. Plaintiff, Medical Center, has made claim upon Defendant, Travelers, for coverage for losses caused by the COVID-19 virus and the referenced Orders including but not limited to business income, extra expense, contamination, civil authority and other coverages.

51. Defendant, Travelers, has denied or refused to acknowledge coverage for the loss.

52. Defendant, Travelers, continues to deny and/or refused to acknowledge coverage for the losses caused by the COVID-19 virus and the referenced Orders.

53. Plaintiff, Medical Center, has suffered damages and/or is at immediate risk of suffering damages as a result of the continued denial and/or refusal to acknowledge coverage by Defendant, Travelers, for the loss caused by the COVID-19 virus and the referenced Orders.

54. Defendant, Travelers, must be enjoined from continuing to deny and/or refuse to acknowledge coverage to insureds for losses caused by the COVID-19 virus and the referenced Orders.

#### **PRAYER FOR RELIEF**

WHEREFORE, Plaintiff, Chan Soon – Shiong Medical Center at Windber, respectfully requests that the Court enter an Order enjoining Defendant, Travelers Property Casualty Company of America, from further denying coverage to Plaintiff, Chan Soon – Shiong Medical Center at Windber, for losses caused by the COVID-19 virus and the governmental Orders.


WHEREFORE, Plaintiff, Chan Soon – Shiong Medical Center at Windber, respectfully requests that the Court enter judgment against Defendant,

Travelers Property Casualty Company of America, for all covered losses and damages under the Travelers Policy.


**DEMAND FOR JURY TRIAL**

Plaintiff hereby demands a trial by jury on all claims and issues.


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& KUPERSMITH, P.C.

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Attorneys for Plaintiffs



CIVIL COVER SHEET

The JS 44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. (SEE INSTRUCTIONS ON NEXT PAGE OF THIS FORM.)

I. (a) PLAINTIFFS

Windber Hospital d/b/a Chan Soon-Shiong Medical Center

(b) County of Residence of First Listed Plaintiff Somerset, PA (EXCEPT IN U.S. PLAINTIFF CASES)

(c) Attorneys (Firm Name, Address, and Telephone Number)

Scott B. Cooper, Esq., Schmidt Kramer PC, 209 State St., Harrisburg, PA 17101

DEFENDANTS

Travelers Property Casualty Company of America

County of Residence of First Listed Defendant Hartford, CT (IN U.S. PLAINTIFF CASES ONLY)

NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT OF LAND INVOLVED.

Attorneys (If Known)

II. BASIS OF JURISDICTION (Place an "X" in One Box Only)

- 1 U.S. Government Plaintiff, 2 U.S. Government Defendant, 3 Federal Question (U.S. Government Not a Party), 4 Diversity (Indicate Citizenship of Parties in Item III)

III. CITIZENSHIP OF PRINCIPAL PARTIES (Place an "X" in One Box for Plaintiff and One Box for Defendant)

Table with columns for Plaintiff (PTF) and Defendant (DEF) citizenship: Citizen of This State, Citizen of Another State, Citizen or Subject of a Foreign Country, Incorporated or Principal Place of Business In This State, Incorporated and Principal Place of Business In Another State, Foreign Nation.

IV. NATURE OF SUIT (Place an "X" in One Box Only)

Large table with categories: CONTRACT, REAL PROPERTY, CIVIL RIGHTS, TORTS, PRISONER PETITIONS, FORFEITURE/PENALTY, LABOR, IMMIGRATION, BANKRUPTCY, SOCIAL SECURITY, FEDERAL TAX SUITS, OTHER STATUTES.

V. ORIGIN (Place an "X" in One Box Only)

- 1 Original Proceeding, 2 Removed from State Court, 3 Remanded from Appellate Court, 4 Reinstated or Reopened, 5 Transferred from Another District (specify), 6 Multidistrict Litigation - Transfer, 8 Multidistrict Litigation - Direct File

VI. CAUSE OF ACTION

Cite the U.S. Civil Statute under which you are filing (Do not cite jurisdictional statutes unless diversity): 28 U.S.C. § 1332(d)(2)(A)
Brief description of cause: COVID-19 denial of insurance coverage

VII. REQUESTED IN COMPLAINT:

CHECK IF THIS IS A CLASS ACTION UNDER RULE 23, F.R.Cv.P. DEMAND \$ 75,000.00 CHECK YES only if demanded in complaint: JURY DEMAND: Yes No

VIII. RELATED CASE(S) IF ANY

(See instructions): JUDGE DOCKET NUMBER

DATE 04/22/2020 SIGNATURE OF ATTORNEY OF RECORD

Handwritten signature of Scott B. Cooper

FOR OFFICE USE ONLY

RECEIPT # AMOUNT APPLYING IFP JUDGE MAG. JUDGE

## INSTRUCTIONS FOR ATTORNEYS COMPLETING CIVIL COVER SHEET FORM JS 44

### Authority For Civil Cover Sheet

The JS 44 civil cover sheet and the information contained herein neither replaces nor supplements the filings and service of pleading or other papers as required by law, except as provided by local rules of court. This form, approved by the Judicial Conference of the United States in September 1974, is required for the use of the Clerk of Court for the purpose of initiating the civil docket sheet. Consequently, a civil cover sheet is submitted to the Clerk of Court for each civil complaint filed. The attorney filing a case should complete the form as follows:

- I.(a) Plaintiffs-Defendants.** Enter names (last, first, middle initial) of plaintiff and defendant. If the plaintiff or defendant is a government agency, use only the full name or standard abbreviations. If the plaintiff or defendant is an official within a government agency, identify first the agency and then the official, giving both name and title.
- (b) County of Residence.** For each civil case filed, except U.S. plaintiff cases, enter the name of the county where the first listed plaintiff resides at the time of filing. In U.S. plaintiff cases, enter the name of the county in which the first listed defendant resides at the time of filing. (NOTE: In land condemnation cases, the county of residence of the "defendant" is the location of the tract of land involved.)
- (c) Attorneys.** Enter the firm name, address, telephone number, and attorney of record. If there are several attorneys, list them on an attachment, noting in this section "(see attachment)".
- II. Jurisdiction.** The basis of jurisdiction is set forth under Rule 8(a), F.R.Cv.P., which requires that jurisdictions be shown in pleadings. Place an "X" in one of the boxes. If there is more than one basis of jurisdiction, precedence is given in the order shown below.  
 United States plaintiff. (1) Jurisdiction based on 28 U.S.C. 1345 and 1348. Suits by agencies and officers of the United States are included here.  
 United States defendant. (2) When the plaintiff is suing the United States, its officers or agencies, place an "X" in this box.  
 Federal question. (3) This refers to suits under 28 U.S.C. 1331, where jurisdiction arises under the Constitution of the United States, an amendment to the Constitution, an act of Congress or a treaty of the United States. In cases where the U.S. is a party, the U.S. plaintiff or defendant code takes precedence, and box 1 or 2 should be marked.  
 Diversity of citizenship. (4) This refers to suits under 28 U.S.C. 1332, where parties are citizens of different states. When Box 4 is checked, the citizenship of the different parties must be checked. (See Section III below; **NOTE: federal question actions take precedence over diversity cases.**)
- III. Residence (citizenship) of Principal Parties.** This section of the JS 44 is to be completed if diversity of citizenship was indicated above. Mark this section for each principal party.
- IV. Nature of Suit.** Place an "X" in the appropriate box. If there are multiple nature of suit codes associated with the case, pick the nature of suit code that is most applicable. Click here for: [Nature of Suit Code Descriptions](#).
- V. Origin.** Place an "X" in one of the seven boxes.  
 Original Proceedings. (1) Cases which originate in the United States district courts.  
 Removed from State Court. (2) Proceedings initiated in state courts may be removed to the district courts under Title 28 U.S.C., Section 1441. When the petition for removal is granted, check this box.  
 Remanded from Appellate Court. (3) Check this box for cases remanded to the district court for further action. Use the date of remand as the filing date.  
 Reinstated or Reopened. (4) Check this box for cases reinstated or reopened in the district court. Use the reopening date as the filing date.  
 Transferred from Another District. (5) For cases transferred under Title 28 U.S.C. Section 1404(a). Do not use this for within district transfers or multidistrict litigation transfers.  
 Multidistrict Litigation – Transfer. (6) Check this box when a multidistrict case is transferred into the district under authority of Title 28 U.S.C. Section 1407.  
 Multidistrict Litigation – Direct File. (8) Check this box when a multidistrict case is filed in the same district as the Master MDL docket.  
**PLEASE NOTE THAT THERE IS NOT AN ORIGIN CODE 7.** Origin Code 7 was used for historical records and is no longer relevant due to changes in statute.
- VI. Cause of Action.** Report the civil statute directly related to the cause of action and give a brief description of the cause. **Do not cite jurisdictional statutes unless diversity.** Example: U.S. Civil Statute: 47 USC 553 Brief Description: Unauthorized reception of cable service
- VII. Requested in Complaint.** Class Action. Place an "X" in this box if you are filing a class action under Rule 23, F.R.Cv.P.  
 Demand. In this space enter the actual dollar amount being demanded or indicate other demand, such as a preliminary injunction.  
 Jury Demand. Check the appropriate box to indicate whether or not a jury is being demanded.
- VIII. Related Cases.** This section of the JS 44 is used to reference related pending cases, if any. If there are related pending cases, insert the docket numbers and the corresponding judge names for such cases.

**Date and Attorney Signature.** Date and sign the civil cover sheet.



**Report Claims Immediately by Calling\***  
**1-800-238-6225**

*Speak directly with a claim professional  
24 hours a day, 365 days a year*

\*Unless Your Policy Requires **Written** Notice or Reporting

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## **COMMERCIAL INSURANCE**

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**A Custom Insurance Policy Prepared for:**

**CHAN SOON-SHIONG MEDICAL  
CENTER AT WINDBER  
600 SOMERSET AVENUE  
WINDBER PA 15963**

**Presented by: SEUBERT & ASSOCIATES INC**



One Tower Square, Hartford, Connecticut 06183

TRAVELERS CORP. TEL: 1-800-328-2189  
INSTITUTIONAL - B  
COMMON POLICY DECLARATIONS  
ISSUE DATE: 10/19/19  
POLICY NUMBER: P-630-4C211340-TIL-19

INSURING COMPANY:  
TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA

1. NAMED INSURED AND MAILING ADDRESS:  
CHAN SOON-SHIONG MEDICAL  
CENTER AT WINDBER (AS PER IL T8 00)  
600 SOMERSET AVENUE  
WINDBER, PA 15963

2. POLICY PERIOD: From 10/10/19 to 10/10/20 12:01 A.M. Standard Time at  
your mailing address.

3. LOCATIONS  
Premises Bldg.  
Loc. No. No. Occupancy Address  
  
SEE IL T0 03

4. COVERAGE PARTS FORMING PART OF THIS POLICY AND INSURING COMPANIES:  
DELUXE PROPERTY COVERAGE PART DECLARATIONS DX T0 00 11 12 TIL  
COMMERCIAL INLAND MARINE COV PART DECLARATIONS CM T0 01 07 86 TIL

5. NUMBERS OF FORMS AND ENDORSEMENTS  
FORMING A PART OF THIS POLICY: SEE IL T8 01 10 93

6. SUPPLEMENTAL POLICIES: Each of the following is a separate policy  
containing its complete provisions:  
Policy Policy No. Insuring Company

DIRECT BILL  
7. PREMIUM SUMMARY:  
Provisional Premium \$ 66,264  
Due at Inception \$  
Due at Each \$

NAME AND ADDRESS OF AGENT OR BROKER:  
SEUBERT & ASSOCIATES INC (G3698)  
225 N SHORE DR STE 300  
PITTSBURGH, PA 15212

COUNTERSIGNED BY:

\_\_\_\_\_  
Authorized Representative

DATE: \_\_\_\_\_



POLICY NUMBER: P-630-4C211340-TIL-19

EFFECTIVE DATE: 10-10-19

ISSUE DATE: 10-19-19

## LISTING OF FORMS, ENDORSEMENTS AND SCHEDULE NUMBERS

THIS LISTING SHOWS THE NUMBER OF FORMS, SCHEDULES AND ENDORSEMENTS  
BY LINE OF BUSINESS.

IL T0 02 11 89	COMMON POLICY DECLARATIONS
IL T8 01 10 93	FORMS, ENDORSEMENTS AND SCHEDULE NUMBERS
IL T3 18 05 11	COMMON POLICY CONDITIONS-DELUXE
IL T0 03 04 96	LOCATION SCHEDULE
IL T8 00	GENERAL PURPOSE ENDORSEMENT

## DELUXE PROPERTY

DX T0 00 11 12	DELUXE PROP COV PART DECLARATIONS
DX 00 04 11 12	TABLE OF CONTENTS - DELUXE PROP COV PART
DX T1 00 11 12	DELUXE PROPERTY COVERAGE FORM
DX T1 01 11 12	DELUXE BI (AND EE) COVERAGE FORM
DX T4 15 11 12	CRIME ADDITIONAL COVERAGE
DX T4 58 11 12	ORD OR LAW-COMMUN DISEASE CONTAM COV
DX T4 59 02 11	UNINTENTIONAL E&O - FAILURE TO REPORT
DX T4 60 02 11	CONDEMNATION OF MEDICAL PROPERTY
DX T3 01 11 12	CAUSES OF LOSS-EARTHQUAKE
DX T3 02 11 12	CAUSES OF LOSS - BROAD FORM FLOOD
DX T3 19 11 12	CAUSES OF LOSS-EQUIPMENT BREAKDOWN
DX T3 62 11 12	ADDITIONAL COVERED PROPERTY
DX T3 70 11 12	RADIOACTIVE CONTAMINATION-BROAD FORM
DX T3 79 11 12	LOSS PAYABLE PROVISIONS
DX T3 85 11 12	UTILITY SERVICES-DIRECT DAMAGE
DX T3 86 11 12	UTILITY SERVICES-TIME ELEMENT
DX T4 02 01 15	FEDERAL TERRORISM RISK INSURANCE ACT DIS
DX T4 49 11 12	EMERGENCY EVACUATION EXPENSE
DX T4 50 11 12	PERS PROP OF PATIENTS AND RESIDENTS
DX T3 98 04 02	ELECTRONIC VANDALISM LIMITATION ENDT

## INLAND MARINE

CM A0 08 08 11	MEDICAL AND SCIENTIFIC EQUIP COVG DEC
CM T0 11 08 05	TABLE OF CONTENTS
CM 00 01 09 04	COMMERCIAL INLAND MARINE CONDITIONS
CM T1 23 08 11	MEDICAL AND SCIENTIFIC EQUIP COVG FORM
CM T3 98 01 15	FEDERAL TERRORISM RISK INSURANCE ACT DIS

## INTERLINE ENDORSEMENTS

IL T4 12 03 15	AMNDT COMMON POLICY COND-PROHIBITED COVG
IL T4 14 01 15	CAP ON LOSSES CERTIFIED ACT OF TERRORISM
IL T3 82 05 13	EXCL OF LOSS DUE TO VIRUS OR BACTERIA
IL F0 31 09 07	PA CHANGES - ACTUAL CASH VALUE



POLICY NUMBER: P-630-4C211340-TIL-19

EFFECTIVE DATE: 10-10-19

ISSUE DATE: 10-19-19

INTERLINE ENDORSEMENTS (CONTINUED)

IL T3 55 05 13	EXCLUSION OF CERTAIN COMPUTER LOSSES
IL T9 15 09 07	PA CHANGES-CANCELLATION AND NONRENEWAL
IL T9 76 09 07	PENNSYLVANIA CHANGES
IL T9 77 07 94	PENNSYLVANIA NOTICE

## COMMON POLICY CONDITIONS – DELUXE

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

### A. CANCELLATION

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. 60 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. If the policy is cancelled, that date will become the end of the policy period. If a Coverage Part is cancelled, that date will become the end of the policy period as respects that Coverage Part only.

Cancellation will not affect coverage on any shipment in transit on the date of the cancellation. Coverage will continue in full force until such property is delivered and accepted.

5. If this policy or any Coverage Part is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

### B. CHANGES

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

### C. EXAMINATION OF YOUR BOOKS AND RECORDS

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

### D. INSPECTIONS AND SURVEYS

1. We have the right but not obligated to:
  - a. Make inspections and surveys at any time;
  - b. Give you reports on the conditions we find; and
  - c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake related only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
  - a. Are safe or healthful; or
  - b. Comply with laws, regulations, codes or standards.
3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

### E. PREMIUMS

1. The first Named Insured shown in the Declarations:
  - a. Is responsible for the payment of all premiums; and
  - b. Will be the payee for any return premiums we pay.
2. We compute all premiums for this policy in accordance with our rules, rates, rating plans,

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

**F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY**

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

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

**G. WHEN WE DO NOT RENEW**

If we decide not to renew this policy we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 60 days before the expiration date.

**H. DELUXE PROPERTY COVERAGE PART- REFERENCE TO FORMS AND ENDORSEMENTS**

In some instances, the Deluxe Property Declarations may list endorsements included in the Deluxe Property Coverage Part that reference:

1. The Commercial Property Coverage Part;
2. The Commercial Inland Marine Coverage Part;
3. Commercial Property forms including, but not limited to, the following:
  - a. Building and Personal Property Coverage Form;
  - b. Business Income Coverage Form;
  - c. Commercial Property Conditions;
  - d. Causes of Loss – Special Form;
  - e. Causes of Loss – Earthquake Form.
4. Commercial Inland Marine Forms including but not limited to the Transportation Coverage – Special Form

Endorsements referencing the Commercial Property Coverage Part, Commercial Inland Marine Coverage Part, Commercial Property Forms, or Commercial Inland Marine Forms apply to the Deluxe Property Coverage Forms in the same manner as they apply to the Forms they reference.

**I. INSURANCE UNDER TWO OR MORE COVERAGE PARTS**

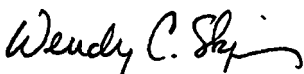
If two or more of this policy's Coverage Parts apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

This policy consists of the Common Policy Declarations and the Coverage Parts and endorsements listed in that declarations form.

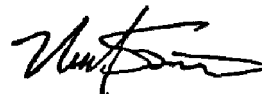
In return for payment of the premium, we agree with the Named Insured to provide the insurance afforded by a Coverage Part forming part of this policy. That insurance will be provided by the company indicated as insuring company in the Common Policy Declarations by the abbreviation of its name opposite that Coverage Part.

One of the companies listed below (each a stock company) has executed this policy, and this policy is countersigned by the officers listed below:

- The Travelers Indemnity Company (IND)
- The Phoenix Insurance Company (PHX)
- The Charter Oak Fire Insurance Company (COF)
- Travelers Property Casualty Company of America (TIL)
- The Travelers Indemnity Company of Connecticut (TCT)
- The Travelers Indemnity Company of America (TIA)
- Travelers Casualty Insurance Company of America (ACJ)



Secretary



President



**LOCATION SCHEDULE****POLICY NUMBER: P-630-4C211340-TIL-19**

This Schedule of Locations and Buildings applies to the Common Policy Declarations for the period 10-10-19 to 10-10-20 .

<b>Loc. No.</b>	<b>Bldg. No.</b>	<b>Address</b>	<b>Occupancy</b>
1	1	600 SOMERSET AVENUE WINDBER, PA 15963	MAIN
1	2	600 SOMERSET AVENUE WINDBER, PA 15963	MEDICAL ARTS BUILDING
1	3	600 SOMERSET AVENUE WINDBER, PA 15963	HOSPICE
1	4	600 SOMERSET AVENUE WINDBER, PA 15963	JOYCE MURTHA BREAST CANCER
1	5	600 SOMERSET AVENUE WINDBER, PA 15963	WINDBER PLACE
1	6	600 SOMERSET AVENUE WINDBER, PA 15963	MEDICAL GROUP BUILDING
1	7	600 SOMERSET AVENUE WINDBER, PA 15963	WINDBER CARE OFFICES
2	8	425 PARK PLACE WINDBER, PA 15963	PROFESSIONAL CENTER
3	9	1511 SCALP AVE JOHNSTOWN, PA 15901	PROFESSIONAL CENTER
5	11	353 MARKET STREET JOHNSTOWN, PA 15901	PHYSICIANS OFFICE
6	12	711 CALDWELL AVE PORTAGE, PA 15946	PT CLINIC

POLICY NUMBER: P-630-4C211340-TIL-19

GENERAL PURPOSE ENDORSEMENT

ITEM 1 NAMED INSURED TO READ:

CHAN SOON-SHIONG MEDICAL CENTER AT WINDBER  
WINDBER HOSPITAL INC.  
WINDBER MEDICAL CENTER  
WINDBER HEALTH SERVICES TRUST INC.  
WINDBER HEALTH CARE FOUNDATION INC.  
WINDBER VOLUNTEER SERVICES INC.  
WINDBER HOSPITAL PALLIATIVE CARE FOUNDATION  
WINDBER PROFESSIONAL SERVICES INC.

**DELUXE PROPERTY**



**DELUXE PROPERTY**



One Tower Square, Hartford, Connecticut 06183

**DELUXE PROPERTY COVERAGE  
PART DECLARATIONS**

**POLICY NUMBER: P-630-4C211340-TIL-19  
ISSUE DATE: 10-19-19**

**INSURING COMPANY:  
TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA**

**EFFECTIVE DATE: Same as policy unless otherwise specified:**

**DELUXE PROPERTY COVERAGE FORM**

**COVERAGES AND LIMITS OF INSURANCE - DESCRIBED PREMISES**

Insurance applies on a BLANKET basis only to a coverage or type of property for which a Limit of Insurance is shown below, and then only at the premises locations for which a value for such coverage or property is shown on the Statement of Values dated 10/10/17, or subsequently reported to and insured by us. For Insurance that applies to a specific premises location see Deluxe Property Coverage Part Schedule - Specific Limits.

Blanket Description of Coverage or Property	Limits of Insurance
Building(s) and Your Business Personal Property	\$ 49,510,793
Personal Property of Others	Included*

\* Included means included in Your Business Personal Property Limit.

**COINSURANCE PROVISION:**

Coinsurance does not apply to the Blanket coverages as shown above.

**VALUATION PROVISION:**

Replacement cost (subject to limitations) applies to most types of covered property (See Valuation Loss Condition in DX T1 00).

ADDITIONAL COVERED PROPERTY	Limits of Insurance
<b>Personal Property at Undescribed Premises:</b>	
At any "exhibition" premises	\$ 100,000
At any installation premises or temporary storage premises	\$ 100,000
At any other not owned, leased or regularly operated premises	\$ 100,000
Sales Representative Property:	\$ 10,000

DX T0 00 11 12



One Tower Square, Hartford, Connecticut 06183

**DELUXE PROPERTY COVERAGE  
PART DECLARATIONS**
**POLICY NUMBER: P-630-4C211340-TIL-19  
ISSUE DATE: 10-19-19**
**ADDITIONAL COVERED PROPERTY (continued)**

	Limits of Insurance
Personal Property in Transit:	\$ 50,000
Excluded Modes of Transportation or Shipments:	
Railroad	
Watercraft	

**DELUXE PROPERTY COVERAGE FORM - ADDITIONAL COVERAGES & COVERAGE EXTENSIONS**

The Limits of Insurance shown in the left column are included in the coverage form and apply unless a Revised Limit of Insurance or Not Covered is shown in the Revised Limits of Insurance column on the right. The Limits of Insurance apply in any one occurrence unless otherwise stated.

	Limits of Insurance	Revised Limits of Insurance
Accounts Receivable		
At all described premises	\$ 50,000	\$ 1,000,000
In transit or at all undescribed premises	\$ 25,000	
Appurtenant Buildings and Structures	\$ 100,000	
Claim Data Expense	\$ 25,000	
Covered Leasehold Interest - Undamaged Improvements & Betterments		
Lesser of Your Business Personal Property limit or:	\$ 100,000	\$ 1,000,000
Debris Removal (additional amount)	\$ 250,000	
Deferred Payments	\$ 25,000	
Duplicate Electronic Data Processing Data and Media	\$ 50,000	
Electronic Data Processing Data and Media		
At all described premises	\$ 50,000	
Employee Tools		
In any one occurrence	\$ 25,000	
Any one item	\$ 2,500	
Expediting Expenses	\$ 25,000	\$ 500,000
Extra Expense	\$ 25,000	
Fine Arts		
At all described premises	\$ 50,000	\$ 1,000,000
In transit	\$ 25,000	
Fire Department Service Charge	Included*	
Fire Protective Equipment Discharge	Included*	
Green Building Alternatives - Increased Cost Percentage 1 %		
Maximum amount - each building	\$ 100,000	

DX T0 00 11 12



One Tower Square, Hartford, Connecticut 06183

**DELUXE PROPERTY COVERAGE  
PART DECLARATIONS**
**POLICY NUMBER: P-630-4C211340-TIL-19  
ISSUE DATE: 10-19-19**
**DELUXE PROPERTY COVERAGE FORM - ADDITIONAL COVERAGES & COVERAGE EXTENSIONS  
(continued)**

	Limits of Insurance	Revised Limits of Insurance
Green Building Reengineering and Recertification Expense	\$ 25,000	
Limited Coverage for Fungus, Wet Rot or Dry Rot - Annual Aggregate	\$ 25,000	
Loss of Master Key	\$ 25,000	
Newly Constructed or Acquired Property:		
Building - each	\$ 2,000,000	
Personal Property at each premises	\$ 1,000,000	
Non-Owned Detached Trailers	\$ 25,000	
Ordinance or Law Coverage	\$ 250,000	\$ 5,000,000
Outdoor Property	\$ 25,000	
Any one tree, shrub or plant	\$ 2,500	
Outside Signs		
At all described premises	\$ 100,000	
At all undescribed premises	\$ 5,000	
Personal Effects	\$ 25,000	
Personal Property At Premises Outside of the Coverage Territory	\$ 50,000	
Personal Property In Transit Outside of the Coverage Territory	\$ 25,000	
Pollutant Cleanup and Removal - Annual Aggregate	\$ 100,000	
Preservation of Property		
Expenses to move and temporarily store property	\$ 250,000	
Direct loss or damage to moved property	Included*	
Reward Coverage		
25% of covered loss up to maximum of:	\$ 25,000	
Stored Water	\$ 25,000	
Theft Damage to Rented Property	Included*	
Undamaged Parts of Stock In Process	\$ 50,000	
Valuable Papers and Records - Cost of Research		
At all described premises	\$ 50,000	\$ 1,000,000
In transit or at all undescribed premises	\$ 25,000	
Water or Other Substance Loss - Tear Out and Replacement Expense	Included*	

\*Included means included in applicable Covered Property Limit of Insurance

DX TO 00 11 12



One Tower Square, Hartford, Connecticut 06183

**DELUXE PROPERTY COVERAGE  
PART DECLARATIONS**
**POLICY NUMBER: P-630-4C211340-TIL-19  
ISSUE DATE: 10-19-19**
**DELUXE BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM - DESCRIBED PREMISES**

Premises Location No.	Building No.	Limits of Insurance
ALL	ALL	\$ 15,862,844

Rental Value: Included  
Ordinary Payroll: Limited - 60 days

**DELUXE BUSINESS INCOME - ADDITIONAL COVERAGES AND COVERAGE EXTENSIONS**

The Limits of Insurance, Coverage Period and Coverage Radius shown in the left column are included in the coverage form and apply unless a revised Limit of Insurance, Coverage Period, Coverage Radius or Not Covered is shown under the column on the right. The Limits of Insurance apply in any one occurrence unless otherwise stated.

	Limits of Insurance, Coverage Period or Coverage Radius	Revised Limits of Insurance, Coverage Period or Coverage Radius
Business Income From Dependent Property		
At Premises Within the Coverage Territory	\$ 100,000	\$ 3,000,000
At Premises Outside of the Coverage Territory	\$ 100,000	
Civil Authority		
Coverage Period	30 days	
Coverage Radius	100 miles	
Claim Data Expense	\$ 25,000	
Contract Penalties	\$ 25,000	
Extended Business Income		
Coverage Period	180 days	
Fungus, Wet Rot or Dry Rot - Amended		
Period of Restoration		
Coverage Period	30 days	
Green Building Alternatives - Increased		
Period of Restoration		
Coverage Period	30 days	
Ingress or Egress	\$ 25,000	
Coverage Radius	1 mile	
Newly Acquired Locations	\$ 500,000	
Ordinance or Law - Increased		
Period of Restoration	\$ 250,000	

DX T0 00 11 12





One Tower Square, Hartford, Connecticut 06183

**DELUXE PROPERTY COVERAGE  
PART DECLARATIONS**

**POLICY NUMBER: P-630-4C211340-TIL-19  
ISSUE DATE: 10-19-19**

**DELUXE BUSINESS INCOME - ADDITIONAL COVERAGES AND COVERAGE EXTENSION (continued)**

	Limits of Insurance, Coverage Period or Coverage Radius	Revised Limits of Insurance, Coverage Period or Coverage Radius
Pollutant Cleanup and Removal - Annual		
Aggregate	\$	25,000
Transit Business Income	\$	25,000
Undescribed Premises	\$	25,000

**CAUSES OF LOSS - EARTHQUAKE - aggregate in any one policy year, for all losses covered under the Causes of Loss - Earthquake endorsement, commencing with the inception date of this policy:**

**Annual  
Aggregate Limit**

1. Applies at the following Building(s) numbered:

001-009,011,012 \$ 25,000,000

If more than one Annual Aggregate Limit applies in any one occurrence, the most we will pay is the highest involved Annual Aggregate Limit. The most we will pay during each annual period is the highest of the Annual Aggregate Limits shown.

**CAUSES OF LOSS - BROAD FORM FLOOD - aggregate in any one policy year, for all losses covered under the Causes of Loss - Broad Form Flood endorsement, commencing with the inception date of this policy:**

**Annual  
Aggregate Limit**

1. Applies at the following Building(s) numbered:

001-009,012 \$ 25,000,000

2. Applies at the following Building(s) numbered:

011 \$ 250,000

DX T0 00 11 12



One Tower Square, Hartford, Connecticut 06183

**DELUXE PROPERTY COVERAGE  
PART DECLARATIONS**

**POLICY NUMBER: P-630-4C211340-TIL-19  
ISSUE DATE: 10-19-19**

**CAUSES OF LOSS - BROAD FORM FLOOD (continued)**

If more than one Annual Aggregate Limit applies in any one occurrence, the most we will pay is the highest involved Annual Aggregate Limit. The most we will pay during each annual period is the highest of the Annual Aggregate Limits shown.

**EXCESS OF LOSS LIMITATION APPLIES - See Causes of Loss - Broad Form Flood endorsement.**

**UTILITY SERVICES**

**Limits of  
Insurance**

Combined Direct Damage and Time Element - in any one occurrence:  
(See Utility Services - Direct Damage and Utility  
Services - Time Element endorsements) \$ 3,000,000

Coverage is provided for the following:

- Water Supply
- Communication Supply
- Power Supply

Coverage for Overhead Transmission Lines is: Provided subject to Limit of Insurance of \$ 1,000,000 in any one occurrence.

**DEDUCTIBLES:**

**BY EARTHQUAKE:**

1. In any one occurrence, at the following Building(s) numbered:

001-009,011,012 \$ 50,000

As respects Business Income Coverage a 24 hour deductible applies at all premises locations.

DX T0 00 11 12



One Tower Square, Hartford, Connecticut 06183

**DELUXE PROPERTY COVERAGE  
PART DECLARATIONS**

**POLICY NUMBER: P-630-4C211340-TIL-19  
ISSUE DATE: 10-19-19**

DEDUCTIBLES: (continued)

BY "FLOOD":

1. At the premises location(s) of the following Building(s) numbered:

001-009,011,012  
in any one occurrence \$ 50,000

As respects Business Income Coverage a 24 hour deductible applies  
at all premises locations.

TO UTILITY SERVICES:

Time Element, in any one occurrence: 24 Hours

TO CRIME ADDITIONAL COVERAGES,  
in any one occurrence:

\$ 1,000

BUSINESS INCOME:

As respects Business Income Coverage, for which no other deductible is  
stated above or in the coverage description, a 24 hour deductible applies.

ANY OTHER COVERED LOSS in any one occurrence:

\$ 10,000

DX T0 00 11 12

## TABLE OF CONTENTS

**DELUXE PROPERTY COVERAGE PART**

The following indicates the contents of the principal Forms which may be attached to your policy. It contains no reference to the Declarations or Endorsements which also may be attached.

	<b>Begins on Page</b>
<b>DELUXE PROPERTY COVERAGE FORM</b>	
A. Coverage	1
B. Covered Causes of Loss	18
C. Exclusions	18
D. Limitations	26
E. Limits of Insurance	27
F. Deductible	28
G. Loss Conditions	28
H. Additional Conditions	34
I. Optional Coverages	35
J. Definitions	36
<b>DELUXE BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM</b>	
A. Coverage	1
B. Exclusions and Limitation	8
C. Limits of Insurance	9
D. Deductible	9
E. Loss Conditions	10
F. Optional Coverages	11
G. Definitions	12
<b>DELUXE BUSINESS INCOME (WITHOUT EXTRA EXPENSE) COVERAGE FORM</b>	
A. Coverage	1
B. Exclusions and Limitation	7
C. Limits of Insurance	8
D. Deductible	8
E. Loss Conditions	9
F. Optional Coverages	10
G. Definitions	10
<b>DELUXE EXTRA EXPENSE COVERAGE FORM</b>	
A. Coverage	1
B. Exclusions	6
C. Limits of Insurance	6
D. Loss Conditions	6
E. Optional Coverages	7
F. Definitions	8

# DELUXE PROPERTY COVERAGE FORM

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

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

Other words and phrases that appear in quotation marks have special meaning. REFER TO SECTION J. – DEFINITIONS.

## A. COVERAGE

We will pay for direct physical loss of or damage to Covered Property caused by or resulting from a Covered Cause of Loss.

### 1. Covered Property

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

**a. Building(s)**, meaning the designated building or structure at the premises described in the Declarations, including:

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;
- (3) Foundations;
- (4) Glass that is a part of the building or structure;
- (5) Machinery and equipment permanently attached to the building or structure;
- (6) Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
  - (a) Fire extinguishing equipment;
  - (b) Outdoor furniture;
  - (c) Floor coverings;
  - (d) Lobby and hallway furnishings owned by you;
  - (e) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;
  - (f) Lawn maintenance and snow removal equipment;
  - (g) Heating, air conditioning and ventilation equipment; and

(h) Building systems and equipment including alarm, communication, security and monitoring devices; and

(7) If not covered by other insurance:

(a) Additions under construction, alterations and repairs to the building or structure; and

(b) 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.

**b. Your Business Personal Property** located in or on the designated building or structure at the premises described in the Declarations or in the open (or in a vehicle) within 1,000 feet of the described premises, consisting of the following unless otherwise specified in the Declarations:

- (1) Furniture and fixtures;
- (2) Machinery and equipment (including "electronic data processing equipment");
- (3) "Stock";
- (4) All other personal property owned by you and used in your business;
- (5) Labor, materials or services furnished or arranged by you on personal property of others;
- (6) Your use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
  - (a) Made a part of the building or structure you occupy or lease but do not own; and

- (b) You acquired or made at your expense, but cannot legally remove;
  - (7) Leased personal property for which you have a contractual responsibility to insure, unless otherwise insured under Personal Property of Others; and
  - (8) Building glass that is not a tenant improvement and betterment but which, as a tenant, you are contractually required to insure under a written lease agreement.
- c. Personal Property of Others** meaning others' personal property in your care, custody, or control that is located in or on the designated building or structure at the premises described in the Declarations or in the open (or in a vehicle) within 1,000 feet of the described premises.

However, our payment for loss of or damage to Personal Property of Others will only be for the account of the owner of the property.

- d. Personal Property At Undescribed Premises** meaning Your Business Personal Property and Personal Property of Others in your care, custody or control that:
- (1) Is at "exhibition" premises located worldwide including while in transit to and from the "exhibition" premises provided that no trade sanction, embargo or similar regulation imposed by the United States of America prohibits us from covering the loss or damage;
  - (2) Is at installation premises or temporary storage premises while awaiting installation that you do not own, lease or regularly operate. This coverage applies only to such property that will or has become a permanent part of an installation project being performed for others by you or on your behalf. This coverage will end when any of the following first occurs:
    - (a) Your interest in the property ceases;
    - (b) The installation is accepted by the customer;

- (c) The installation is abandoned by you;
  - (d) The property is more specifically insured; or
  - (e) This policy is cancelled or expires, whichever occurs first; or
- (3) Is temporarily at any other premises not described in the Declarations, which you do not own, lease or regularly operate.

Coverage does not include Sales Representative Property as defined in Paragraph **A.1.f.** below.

- e. Personal Property in Transit** as follows:
- (1) This coverage for Personal Property in Transit applies to:
    - (a) Your Business Personal Property; and
    - (b) Personal Property of Others; away from the described premises while in transit between points within the Coverage Territory.
  - (2) Unless a mode of transportation or type of shipment is specifically excluded in the Declarations or by endorsement, this coverage applies to property in transit being shipped by any type of carrier or vehicle.
  - (3) This coverage applies from the time the property leaves the premises where the shipment begins until the shipment arrives at its final destination. If the property is not delivered, we cover the return of the property to you, including while the property is temporarily held by the receiver or the carrier while awaiting return shipment to you.
  - (4) Subject to the Limit of Insurance that applies to the Personal Property in Transit coverage, we will also pay for:
    - (a) Any general average or salvage charges you incur as respects losses to covered waterborne shipments;
    - (b) Your interest in covered shipments sold Free On Board if you cannot collect payment for the loss or damage from the consignee; and

- (c) Loss of or damage to Covered Property resulting from the unintentional acceptance of any fraudulent Bill of Lading, order or shipping receipt by you, your employees or authorized representatives or by your agent, customer or consignee from anyone representing themselves to be the proper person to receive goods for shipment or accept goods for delivery.
- (5) This coverage does not apply to:
- (a) Accounts receivable;
  - (b) "Employee tools";
  - (c) "Fine arts";
  - (d) Sales representative property;
  - (e) Personal property in transit to or from an "exhibition" site; or
  - (f) "Valuable papers and records".
- f. **Sales Representative Property** meaning goods or merchandise which are Your Business Personal Property and Personal Property of Others in the custody of independent contractors whom you authorize to sell such goods or merchandise. This coverage applies worldwide while the property is:
- (1) At any premises away from the described premises; or
  - (2) In transit;
- provided that no trade sanction, embargo or similar regulation imposed by the United States of America prohibits us from covering the loss or damage.
- 2. Property and Costs Not Covered**
- Unless the following property is added by endorsement to this Coverage Form, Covered Property does not include:
- a. Accounts, bills, currency, food stamps or other evidences of debt, money, notes, checks, drafts or securities except as provided in the Accounts Receivable Coverage Extension. Lottery tickets held for sale are not securities;
  - b. Aircraft or watercraft;
  - c. Animals;
  - d. Automobiles, motorcycles, motor trucks, motor homes and similar vehicles held for sale, lease, loan or rent;
  - e. Bulkheads, pilings, piers, wharves, docks, dikes or dams;
  - f. Contraband or property in the course of illegal transportation or trade;
  - g. "Electronic data processing data and media" that is obsolete or no longer used by you;
  - h. "Employee tools" except as provided in the Employee Tools Coverage Extension;
  - i. Export and import shipments while covered under an ocean marine cargo or other insurance policy;
  - j. "Fine arts", except as provided in the Personal Effects and Fine Arts Coverage Extensions;
  - k. Harvested grain, hay, straw or other crops while outside of buildings, growing crops or standing timber;
  - l. Human body parts and fluids including organs, tissue, blood and cells;
  - m. Land, whether in its natural state or otherwise (including land on which the property is located), land improvements or the cost of restoring or stabilizing land;
  - n. Personal property sold by you under an installment plan, conditional sale, trust agreement or other deferred payment plan after delivery to the purchasers except as provided in the Deferred Payments Coverage Extension;
  - o. Property of others for which you are responsible while acting as a common or contract carrier, car-loader, freight forwarder, freight consolidator, freight broker, shipping association or similar arranger of transportation, or as a public warehouseman;
  - p. Property that is covered under another coverage form or endorsement of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance;
  - q. Property while waterborne except while in transit by inland water carriers or by coastwise vessels operating within "territorial waters";

- r. Shipments by a government postal service except by registered mail;
  - s. The cost of excavations, grading, backfilling or filling. This does not apply to costs necessarily incurred to repair or replace covered loss or damage to Covered Property, but any costs associated with land stabilization and land reconstruction are excluded;
  - t. The cost to research, replace or restore the information on "valuable papers and records" and "electronic data processing data and media", except as provided in the Valuable Papers and Records – Cost of Research and Electronic Data Processing Data and Media Coverage Extensions;
  - u. The following property while outside of buildings:
    - (1) Bridges, roadways, walks, patios, or other paved surfaces;
    - (2) Artificial turf and associated underlayment;
    - (3) Retaining walls that are not part of a building;
    - (4) Fences;
    - (5) Trees, shrubs, plants or lawns (including fairways, greens and tees), but not including vegetative roofs on Covered Buildings nor "stock" of trees, shrubs or plants;

except as provided in the Outdoor Property Coverage Extension.
  - v. The following underground property:
    - (1) Wires;
    - (2) Pipes, flues and drains;
    - (3) Tanks (including their contents);
    - (4) Tunnels (whether or not connected to buildings);
    - (5) Mines or mining property;
  - w. Vehicles or self-propelled machines that:
    - (1) Are licensed for use on public roads; or
    - (2) Are operated principally away from the described premises;

But this does not apply to:

    - (a) Vehicles, self-propelled machines or autos you manufacture, process or warehouse;
    - (b) Vehicles or self-propelled machines you hold for sale, lease, loan or rent other than those excluded under **A.2.d.** above; or
    - (c) Trailers and Semi-trailers to the extent covered under the Non-Owned Detached Trailers Coverage Extension;
  - x. Water, whether in its natural state or otherwise, and whether above or below ground or the cost of reclaiming or restoring water.
 

But this does not apply to:

    - (1) Water contained in storage tanks used in your manufacturing or processing operations as specifically insured under the Stored Water Additional Coverage; or
    - (2) Bottled water.
- ### 3. Additional Coverages
- Each of the following Additional Coverages applies subject to the Limit(s) of Insurance stated in this Coverage Form unless a revised Limit of Insurance or *Not Covered* is indicated in the Declarations or the coverage is otherwise amended by endorsement:
- #### a. Debris Removal
- (1) We will pay your expense to remove debris of Covered Property, and other debris that is on the described premises, when such debris is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
 

This Additional Coverage does not apply to costs to:

    - (a) Remove debris of property you own that is not insured under this policy, or property of others in your care, custody or control that is not Covered Property;
    - (b) Remove debris of property owned by or leased to the landlord of the building where your described premises are located, unless you have a contractual responsibility to insure such property and it is insured under this policy;



- (c) Remove debris of any outdoor property of a type described in the Outdoor Property Coverage Extension, whether the property is your property or the property of others;
  - (d) Remove any property that is included under Section **A.2**. Property and Costs Not Covered;
  - (e) Remove property of others of a type that is not Covered Property under this Coverage Form;
  - (f) Extract "pollutants" from land or water; or
  - (g) Remove, restore or replace polluted land or water.
- (2) The most we will pay under this Additional Coverage for your expense to remove the debris of Covered Property is 25% of:
- (a) The amount we pay for the direct physical loss of or damage to Covered Property; plus
  - (b) The deductible in this Coverage Part applicable to that loss or damage.
- Except as provided in Paragraph (3) below, this payment for your expense to remove the debris of Covered Property is included within the applicable Covered Property Limit of Insurance.
- (3) If:
- (a) Your expense to remove debris of Covered Property exceeds the above 25% limitation; or
  - (b) The sum of the amount we pay for loss of or damage to Covered Property and the expense for removal of its debris exceeds the applicable Limit of Insurance;
- we will pay an additional amount for your expense to remove the debris of Covered Property, up to \$250,000 in any one occurrence.
- (4) The most we will pay in any one occurrence under this Additional Coverage for your expense to remove the debris of any property that is not Covered Property (if such removal is covered under this Additional Cover-

age) is \$25,000. This is additional insurance.

**b. Expediting Expenses**

In the event of covered loss or damage to Covered Property, we will pay for the reasonable and necessary additional expenses you incur to make temporary repairs to, or expedite the permanent repairs or replacement of the Covered Property at the premises sustaining loss or damage. Expediting expenses include overtime wages and the extra cost of express or other rapid means of transportation. Expediting expenses do not include expenses you incur for the temporary rental of property or temporary replacement of damaged property.

The most we will pay in any one occurrence under this Additional Coverage is \$25,000.

**c. Fire Department Service Charge**

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay for your liability for fire department service charges:

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

No deductible applies to this Additional Coverage.

**d. Fire Protective Equipment Discharge**

If fire protective equipment at the described premises discharges accidentally or to control a Covered Cause of Loss, we will pay your cost to:

- (1) Refill or recharge the system with the extinguishing agents that were discharged; and
- (2) Replace or repair faulty valves or controls which caused the discharge.

**e. Green Building Alternatives – Increased Cost**

(1) If direct physical loss or damage by a Covered Cause of Loss occurs to a building that is Covered Property, we will pay for:

- (a) The reasonable additional cost you incur to repair or replace the lost or damaged portions of the

building using products or materials that:

(i) Are "green" alternatives to the products or materials of the lost or damaged property, in accordance with a documented "green authority"; and

(ii) Are otherwise of comparable quality and function to the damaged property;

and

(b) The reasonable additional cost you incur to employ "green" methods or processes of construction, disposal or recycling in the course of the repair and replacement of the lost or damaged building, in accordance with the documented standards of a "green authority".

(2) The insurance provided under this Additional Coverage applies only if replacement cost valuation applies to the lost or damaged building and then only if the building is actually repaired or replaced as soon as reasonably possible after the loss or damage.

(3) The insurance provided under this Additional Coverage does not apply to any building that has been "vacant" for more than 60 consecutive days before the loss or damage occurs.

(4) The most we will pay for the additional cost incurred with respect to each building in any one occurrence under this Additional Coverage is determined by multiplying:

(a) A factor of 1% (unless a higher increased cost percentage is shown in the Declarations); times

(b) The lesser of:

(i) The amount we would otherwise pay for direct physical loss of or damage to the building, prior to application of any applicable deductible; or

(ii) The value you reported to us for the building, as stated on the latest Statement of Values or other documentation

on file with us prior to the loss or damage.

Unless otherwise stated in the Declarations, this resultant amount is subject to a maximum amount of insurance of \$100,000 for each building.

**f. Green Building Reengineering and Recertification Expense**

(1) If, as a result of direct physical loss or damage by a Covered Cause of Loss to a building that is Covered Property, the pre-loss level of "green" building certification by a "Green Authority" on the building is lost, we will pay for the following reasonable additional expenses you incur to re-attain the pre-loss level of "green" building certification from that "Green Authority":

(a) The reasonable additional expense you incur to hire a qualified engineer or other professional required by the "Green Authority" to be involved in:

(i) Designing, overseeing or documenting the repair or replacement of the lost or damaged building; or

(ii) Testing and recalibrating the systems and mechanicals of the lost or damaged building to verify that the systems and mechanicals are performing in accordance with the design of such systems and mechanicals or the specifications of the manufacturer;

and

(b) The reasonable registration and recertification fees charged by the "Green Authority".

(2) This Additional Coverage applies to the additional expenses described above that you incur to achieve the pre-loss level of "green" building certification in accordance with the standards of the "Green Authority" that exist at the time of repair or replacement, even if the standards have changed since the original certification was achieved.

(3) The most we will pay in any one occurrence under this Additional Coverage for:

(a) All expenses incurred with respect to each building is 5% of the sum of:

(i) The amount we pay for the direct physical loss of or damage to the building, including any amount paid under the Green Building Alternatives – Increased Cost Additional Coverage; and

(ii) The deductible amount applied to the loss payment for direct physical loss or damage to the building;

(b) All expenses incurred, regardless of the number of buildings involved, is \$25,000.

**g. Limited Coverage for Fungus, Wet Rot or Dry Rot**

(1) The coverage provided in Paragraph (2) below only applies when "fungus", wet rot or dry rot is the result of any of the "specified causes of loss", other than fire or lightning, that occurs during the policy period, and only if all reasonable means have been used to save and preserve the property from further damage at the time of and after the occurrence of such "specified causes of loss".

(2) We will pay for direct physical loss of or damage to Covered Property caused by "fungus", wet rot or dry rot, including:

(a) The cost of removal of the "fungus", wet rot or dry rot;

(b) The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet rot or dry rot; and

(c) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet rot or dry rot are present.

(3) The most we will pay for the total of all loss or damage under this Additional Coverage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) occurring during each separate 12 month period of this policy beginning with the effective date of this policy is \$25,000.

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

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

**h. Ordinance or Law Coverage**

(1) In the event of covered direct physical loss or damage to a building that is Covered Property, the following coverages apply, but only with respect to that lost or damaged building:

**(a) Coverage A – Coverage For Loss To The Undamaged Portion of The Building**

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.

**(b) Coverage B – Demolition Cost Coverage**

We will pay under Coverage **B** the cost to demolish the building 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.

**(c) Coverage C – Increased Cost of Construction**

We will pay under Coverage C the increased cost to:

- (i) Repair or reconstruct damaged portions of that building; 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.

This Coverage C 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. This Coverage C does not apply if the building is not repaired, reconstructed or remodeled.

- (2)** The coverages described in **(1)** above apply only if the provisions in Paragraphs **(a)** and **(b)** below are satisfied and are then subject to the qualifications set forth in Paragraph **(c)** below:

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

But this Additional 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.

- (b)** The building either:
  - (i) Sustains direct physical loss or damage that is covered under this Coverage Part and such damage results in enforcement of the ordinance or law; or
  - (ii) Sustains both direct physical loss or damage that is covered under this Coverage Part and direct physical loss or damage that is not covered under this Coverage Part and the building damage in its entirety results in enforcement of the ordinance or law.

If the building sustains direct physical loss or damage that is not covered under this Coverage Part, and such damage is the subject of the ordinance or law, then there is no coverage under this Additional Coverage even if the building has also sustained covered direct physical loss or damage.

- (c)** In the situation described in **(b)(ii)** above, we will not pay the full amount of loss otherwise payable under the terms of Coverage **A**, **B** or **C** of this Additional Coverage. Instead, we will pay a proportion of such loss. The proportion of such loss that we will pay is the proportion that the covered direct physical loss or damage bears to the total direct physical loss or damage.

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

- (3)** We will not pay under this Additional Coverage for:
  - (a)** Enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation;

tion of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet rot or dry rot;

- (b) 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 rot or dry rot; or
- (c) Loss due to any ordinance or law that:
  - (i) You were required by the ordinance or law to comply with before the loss, even if the building was undamaged; and
  - (ii) You failed to comply with.
- (4) Exclusion **C.1.h.** Ordinance or Law does not apply to the insurance specifically provided under this Additional Coverage.
- (5) The most we will pay under this Additional Coverage for loss with respect to all buildings lost or damaged in any one occurrence, regardless of the number of buildings involved, is \$250,000.

#### **i. Pollutant Cleanup 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 any of the "specified causes of loss" which occurs:

- (1) On the described premises;
- (2) To Covered Property; and
- (3) During the policy period.

The expenses will be paid only if they are reported to us within 180 days of the date on which the covered "specified cause of loss" occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing

which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage is \$100,000 for the sum of all covered expenses arising out of all "specified causes of loss" occurring during each separate 12 month period of this policy (beginning with the effective date of the policy).

#### **j. Preservation of Property**

If it is necessary to temporarily move Covered Property from the described premises to preserve it from the threat of imminent loss or damage by a Covered Cause of Loss:

- (1) We will pay for the reasonable and necessary expenses actually incurred by you to remove the Covered Property from the described premises, temporarily store the Covered Property at another location and move the Covered Property back to the described premises within a reasonable time after the threat of imminent loss or damage to the property by the Covered Cause of Loss passes. The most we will pay for the sum of all such expenses that you incur due to the threat of loss or damage from any one occurrence is \$250,000, subject to the following:
  - (a) This Limit of Insurance is an additional amount of insurance that is not included in, and does not reduce, the Covered Property Limits of Insurance.
  - (b) When the Causes of Loss – Earthquake endorsement or Causes of Loss – Earthquake Sprinkler Leakage endorsement is included in this Coverage Part, our payment for the sum of all expenses incurred due to the threat of loss or damage to Covered Property from all threatened occurrences of all such Covered Causes of Loss in any one policy year will not exceed \$250,000. This limit is not included in, and does not reduce, the Limits of Insurance that apply to loss or damage to which the Causes of Loss – Earthquake endorsement

or the Causes of Loss – Earthquake Sprinkler Leakage endorsement applies.

- (c) When the Causes of Loss – Broad Form Flood endorsement is included in this Coverage Part, our payment for the sum of all expenses incurred due to the threat of loss or damage to Covered Property from all threatened occurrences of such Covered Cause of Loss in any one policy year will not exceed \$250,000. This limit is not included in, and does not reduce, the Limits of Insurance that apply to loss or damage to which the Causes of Loss – Broad Form Flood endorsement applies.
- (d) If the threat of imminent direct physical loss or damage to Covered Property from the same occurrence spans over multiple policy years, only the limit that applies to this Coverage in the policy year in which the expenses are first incurred by you will apply to the total of the expenses incurred due to the threat of loss or damage from that occurrence.

This Coverage is subject to the deductible that applies to loss or damage to the Covered Property by the Covered Cause of Loss from which the property is being preserved.

- (2) We will also pay for any direct physical loss of or damage to the Covered Property while it is being moved from the described premises, while temporarily stored at another location or while being moved back to the described premises, subject to the following:
- (a) This Coverage is subject to, and does not increase the applicable Covered Property Limit of Insurance.
- (b) This Coverage will only apply if the loss or damage occurs within 180 days after the Covered Property is first moved and will end when any of the following first occurs:

- (i) The policy is amended to provide insurance at the new location;
- (ii) The Covered Property is returned to the original location; or
- (iii) This policy expires.

#### k. Reward Coverage

We will reimburse you for rewards you have incurred leading to:

- (1) The successful return of undamaged stolen articles of Covered Property to a law enforcement agency; or
- (2) The arrest and conviction of any person(s) who have damaged or stolen any of your Covered Property.

The most we will pay in any one occurrence under this Additional Coverage is 25% of the covered loss (prior to the application of any applicable deductible and recovery of undamaged stolen articles) up to a maximum of \$25,000 for the payments of rewards you make. These reward payments must be documented. No deductible applies to this Additional Coverage.

#### l. Stored Water

- (1) We will pay the cost you incur to replace water that is used in your manufacturing or processing operations which is contained in any:
- (a) Above-ground storage tank; or
- (b) Manufacturing or processing equipment (including related piping) at the described premises,
- when the water has been released or rendered unusable for its intended purpose due to direct physical loss of or damage to such tank, equipment or piping by a Covered Cause of Loss.
- (2) This Additional Coverage does not apply to costs to restore or replace water contained in any fire suppression system.
- (3) The most we will pay in any one occurrence under this Additional Coverage is \$25,000.

**m. Water or Other Substance Loss – Tear Out and Replacement Expense**

In the event of covered loss or damage caused by or resulting from water (or steam), other liquid, powder or molten material, we will also pay:

- (1) The necessary cost of tearing out and replacing any part of a Covered Building or Structure to repair damage to the system or appliance from which the water (or steam), other liquid, powder or molten material escapes; and
- (2) The cost to repair or replace damaged parts of fire extinguishing equipment if:
  - (a) The damage results in discharge of any substance from an automatic fire protective system; or
  - (b) Is directly caused by freezing.

Except as provided under (2) above, we will not pay the cost to repair any defect in a system or appliance from which the water (or steam), other liquid, powder or molten material escapes.

**4. Coverage Extensions**

Each of the following Coverage Extensions applies subject to the Limit(s) of Insurance stated in this Coverage Form, unless a revised Limit of Insurance or *Not Covered* is indicated in the Declarations or the coverage is otherwise amended by endorsement:

**a. Accounts Receivable**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to losses and expenses described below that you incur resulting from direct physical loss or damage by a Covered Cause of Loss to your accounts receivable records. Credit card company charge media will be considered accounts receivable until delivered to the credit card company.

We will pay:

- (a) Amounts due from your customers that you are unable to collect;
- (b) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;

- (c) Collection expenses in excess of your normal collection expenses that are made necessary by the loss; and

- (d) Other reasonable expenses that you incur to re-establish your records of accounts receivable.

- (2) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss, we will:

- (a) Determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss occurs;

- (b) Adjust the total for any normal fluctuations in the amount of accounts receivable for the month in which the loss occurred or for any demonstrated variance from the average for that month; and

- (c) Deduct the following from the total amount of accounts receivable, however that amount is established:

- (i) The amount of the accounts for which there is no loss;

- (ii) The amount of the accounts that you are able to re-establish or collect;

- (iii) An amount to allow for probable bad debts that you are normally unable to collect; and

- (iv) All unearned interest and service charges.

- (3) The most we will pay in any one occurrence under this Extension for loss and expenses resulting from loss of or damage to your records of accounts receivable:

- (a) At or within 1,000 feet of the described premises is \$50,000; and

- (b) While in transit or at all undescrbed premises is \$25,000.

**b. Appurtenant Buildings and Structures**

- (1) At the described premises where Building coverage applies:

- (a) You may extend the insurance that applies to your buildings to

apply to direct physical loss or damage by a Covered Cause of Loss to incidental appurtenant buildings and structures which are at the described premises but not specifically described in the Declarations; and

- (b) You may extend the insurance that applies to Your Business Personal Property and Personal Property of Others, if any, to apply to direct physical loss or damage by a Covered Cause of Loss to such property located within incidental appurtenant buildings or structures which are at the described premises but not specifically described in the Declarations.
- (2) Incidental appurtenant buildings or structures include storage buildings, garages, pump houses, above ground tanks, television and radio towers, antennas, satellite dishes and solar panels mounted on the ground or on poles not attached to buildings and structures. But incidental appurtenant buildings and structures do not include:
  - (a) Outside signs, whether or not attached to buildings or structures;
  - (b) Any property to which the Outdoor Property Coverage Extension applies; or
  - (c) Any property excluded under Section **A.2. Property and Costs Not Covered**.
- (3) The most we will pay for loss or damage in any one occurrence under this Extension is \$100,000.

**c. Claim Data Expense**

- (1) You may extend the insurance provided by this Coverage Form to apply to the reasonable expenses you incur in preparing claim data when we require it to adjust a covered loss. This includes the cost of taking inventories, making appraisals and preparing other documentation to show the extent of loss.
- (2) We will not pay for:

- (a) Any expenses incurred, directed, or billed by or payable to attorneys, insurance adjusters or their associates or subsidiaries;
- (b) Any costs as provided in the Appraisal Loss Condition (**G.2.**); or
- (c) Any expenses incurred, directed, or billed by or payable to insurance brokers or agents, or their associates or subsidiaries, without our written consent prior to such expenses being incurred.
- (3) The most we will pay for claim data expense in any one occurrence under this Extension is \$25,000.

**d. Covered Leasehold Interest – Undamaged Improvements and Betterments**

- (1) You may extend the insurance that applies to Your Business Personal Property at the described premises which you lease from others to apply to your interest as tenant in improvements and betterments, as defined in Section **A.1.b.(6)** of this Coverage Form, which are not damaged or destroyed, but which you lose due to the cancellation of your lease by your landlord. The cancellation of your lease by your landlord must:
  - (a) Result from direct physical loss of or damage to property at the described premises where your improvements and betterments are located, caused by or resulting from a Covered Cause of Loss; and
  - (b) Be permitted in accordance with the conditions of your written lease agreement.
- (2) The most we will pay for loss in any one occurrence under this Extension is:
  - (a) The applicable Your Business Personal Property Limit of Insurance; or
  - (b) \$100,000;
 whichever is less.

**e. Deferred Payments**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to your interest in



such business personal property that is sold by you under an installment plan, conditional sale, trust agreement or other deferred payment plan when, as a result of direct physical loss of or damage to such property:

- (a) Occurring within the Coverage Territory at any location, or in transit, after delivery to buyers; and
- (b) Caused by a Covered Cause of Loss;

the buyer refuses to continue payments owed to you for such property and, as a result, you repossess the remaining damaged property of value, if any.

- (2) The value of your loss under this Extension will be determined as follows:

- (a) In the event of partial loss to property, the value of your loss will be:

- (i) The unpaid balance shown on your books as due from the buyer for such property, excluding any interest or fees due; minus
- (ii) The actual cash value of the repossessed damaged property.

- (b) In the event of a total loss to property, the value of your loss will be the unpaid balance shown on your books as due from the buyer for such property, excluding any interest or fees due.

- (3) The most we will pay for loss in any one occurrence under this Extension is \$25,000.

**f. Duplicate Electronic Data Processing Data and Media**

- (1) You may extend the insurance that applies to Your Business Personal Property and Personal Property of Others to apply to direct physical loss or damage by a Covered Cause of Loss to duplicates of your "electronic data processing data and media" while stored in a separate, unattached building anywhere in the Coverage Territory from where your

original "electronic data processing data and media" are kept.

- (2) The most we will pay for loss or damage in any one occurrence under this Extension is \$50,000.

**g. Electronic Data Processing Data and Media**

- (1) You may extend the insurance that applies to Your Business Personal Property and Personal Property of Others to apply to your costs to research, replace or restore the lost information on lost or damaged "electronic data processing data and media" for which duplicates do not exist. The loss or damage to the "electronic data processing data and media" must be caused by a Covered Cause of Loss.

- (2) The most we will pay in any one occurrence under this Extension for loss or damage to "electronic data processing data and media":

- (a) At or within 1,000 feet of the described is as follows:

- (i) \$50,000 at all described premises unless a different Limit of Insurance or *Not Covered* is shown in the Declarations or Paragraph (ii) below applies;

- (ii) When *Included* is shown in the Declarations as the Limit of Insurance, the insurance provided for such property is included in, and does not increase the Limit(s) of Insurance that otherwise apply to loss or damage to Your Business Personal Property and Personal Property of Others at the described premises where the loss occurs;

and

- (b) At any other location where the insurance provided under this Coverage Form for Your Business Personal Property and Personal Property of Others applies, including while in transit, is included in and does not increase the Limit of Insurance that otherwise applies to loss or damage to

Your Business Personal Property and Personal Property of Others at that location or in transit. But, in no event will the amount we pay for such loss or damage to "electronic data processing data and media" under this Extension exceed the amount we would have paid had the loss to "electronic data processing data and media" occurred at or within 1,000 feet of the described premises.

#### **h. Employee Tools**

- (1)** You may extend the insurance that applies to Your Business Personal Property to apply to direct physical loss or damage by a Covered Cause of Loss to "employee tools" at the described premises or while in the care, custody or control of your employees at job sites or while in transit between these locations.
- (2)** The most we will pay for loss or damage in any one occurrence under this Extension is \$25,000, but not more than \$2,500 for any one item.

#### **i. Extra Expense**

- (1)** You may extend the insurance provided by this Coverage Form to apply to the reasonable and necessary Extra Expense you incur, during the period of restoration, due to direct physical loss or damage to property at or within 1,000 feet of the described premises caused by or resulting from a Covered Cause of Loss.
- (2)** If you occupy only a portion of a building in which the described premises are located, such premises include all routes within the building to gain access to the portion of the building which you own, rent, lease or occupy.
- (3)** As used in this Extension:
  - (a)** Extra Expense means necessary expenses you incur that you would not have incurred if there had been no direct physical loss or damage to property:
    - (i)** To avoid or minimize the suspension of business and

to continue your normal business operations:

- At the described premises; or
  - At replacement premises or at temporary locations, including relocation expenses and costs to equip and operate the replacement or temporary locations;
- (ii)** To minimize the suspension of business if you cannot continue your normal business operations at the described premises; or
  - (iii)** To the extent that it reduces the amount of loss that otherwise would have been payable under this Coverage Form:
    - To repair or replace any property;
    - To research, replace or restore the lost information on lost or damaged "electronic data processing data and media" or "valuable papers and records".
- (b)** Period of restoration means the period of time that:
- (i)** Begins with the date of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and
  - (ii)** Ends on the earlier of:
    - The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
    - The date when business is resumed at a new permanent location.

Period of restoration does not include any increased period re-

quired due to the enforcement of any ordinance or law that:

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

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

- (4) The most we will pay for all Extra Expense in any one occurrence under this Extension is \$25,000.

#### **j. Fine Arts**

- (1) You may extend the insurance that applies to Your Business Personal Property and Personal Property of Others to apply to direct physical loss or damage by a Covered Cause of Loss to "fine arts" at the described premises or in transit.
- (2) The most we will pay in any one occurrence under this Extension for loss of or damage to "fine arts":
  - (a) At or within 1,000 feet of the described premises is \$50,000; and
  - (b) While in transit is \$25,000.

#### **k. Loss of Master Key**

- (1) If a master key or key card to buildings, rooms or compartments that are Covered Property or house Covered Property is lost or damaged by a Covered Cause of Loss, you may extend the insurance provided by this Coverage Form to apply to the actual and necessary costs you incur to:
  - (a) Replace keys and either:
    - (i) Adjust existing locks to accept the new keys; or
    - (ii) Replace existing locks, but only if necessary or less expensive than the cost of adjusting the existing locks;

or

- (b) Re-program the key card access control device to accept replacement key cards.

- (2) With respect only to the insurance provided by this Extension, the following changes apply to the Exclusions in Section **C.** and Limitations in Section **D.** of this Coverage Form:

- (a) The exclusion of loss or damage caused by or resulting from dishonest or criminal act under Exclusion **C.2.c.** (Dishonesty) does not apply, except with respect to dishonest or criminal act by you or any of your partners, directors or trustees;

- (b) The exclusion of loss of property when there is no physical evidence to show what happened to the property under Limitations **D.1.d.** does not apply.

- (3) The most we will reimburse you for costs under this Extension is \$25,000 in total arising out of all occurrences occurring during each separate 12 month period of this policy (beginning with the effective date of the policy).

#### **l. Newly Constructed or Acquired Property**

- (1) You may extend the insurance provided by this Coverage Form to apply to direct physical loss or damage by a Covered Cause of Loss to:
  - (a) Your new buildings or additions while being built on the described premises or newly acquired premises including materials, equipment, supplies and temporary structures, on or within 1,000 feet of the premises;
  - (b) Buildings you acquire at locations other than the described premises; and
  - (c) Buildings which you become newly required to insure under a written contract.

The most we will pay for loss or damage to Buildings in any one occurrence under this Extension is \$2,000,000 at each building.

- (2) You may extend the insurance that applies to Your Business Personal

Property and Personal Property of Others to apply to direct physical loss or damage by a Covered Cause of Loss to that type of property at:

- (a) A building you newly acquire or construct at a location described in the Declarations; and
- (b) Any other location you acquire by purchase or lease (other than at "exhibitions").

The most we will pay for loss or damage to Your Business Personal Property and Personal Property of Others in any one occurrence under this Extension is \$1,000,000 in total at each newly acquired premises.

- (3) Insurance provided under this Extension for each newly acquired or constructed property will end when any of the following first occurs:
  - (a) This policy is cancelled or expires;
  - (b) 180 days expire after you acquire or begin to construct the property;
  - (c) You report values to us; or
  - (d) The property is more specifically insured.

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

#### m. Non-Owned Detached Trailers

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to direct physical loss or damage by a Covered Cause of Loss to trailers or semi-trailers that you do not own, provided that:
  - (a) The trailer or semi-trailer is used in your business;
  - (b) The trailer or semi-trailer is in your care, custody or control at the described premises; and
  - (c) You have a contractual responsibility to pay for loss or damage to the trailer or semi-trailer.
- (2) We will not pay for any loss or damage that occurs:
  - (a) While the trailer or semi-trailer is attached to any motor vehicle or

motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion; or

- (b) During hitching or unhitching operations, or when a trailer or semi-trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.
- (3) The most we will pay for loss or damage in any one occurrence under this Extension is \$25,000.
- (4) This insurance is excess over the amount due from any other insurance covering such property, whether you can collect on it or not.

#### n. Outdoor Property

- (1) You may extend the insurance provided by this Coverage Form to apply to:
  - (a) Direct physical loss or damage to your outdoor:
    - (i) Fences;
    - (ii) Retaining walls that are not part of a building;
    - (iii) Lawns (including fairways, greens and tees), artificial turf (including underlayment) trees, shrubs and plants (other than "stock" of trees, shrubs or plants);
    - (iv) Bridges, walks, roadways, patios or other paved surfaces;

at the described premises caused by or resulting from a cause of loss described in (2) below;

and

- (b) The reasonable and necessary expense that you incur to remove debris of your outdoor property listed above and similar property of others at your described premises caused by a Cause of Loss listed in (2) below that occurs during the policy period. Such expenses will be paid only if they are reported to us in writing within 180 days of the direct physical loss or damage. Such payment will not increase the Limit of In-

insurance that applies to this Extension.

- (2) This Extension applies only if the loss or damage is caused by or results from the following causes of loss, and then only if they are a Covered Cause of Loss:

- (a) Fire;
- (b) Lightning;
- (c) Explosion;
- (d) Riot or Civil Commotion;
- (e) Aircraft;
- (f) Falling Objects; or
- (g) "Sinkhole Collapse".

- (3) The most we will pay for loss or damage and debris removal expense in any one occurrence under this Extension is \$25,000, but we will not pay more than \$2,500 for any one tree, shrub or plant.

**o. Outside Signs**

- (1) You may extend the insurance provided by this Coverage Form to apply to direct physical loss or damage by a Covered Cause of Loss to outside signs, whether or not attached to a building, at or within 1,000 feet of the described premises or at any undescribed premises.
- (2) The most we will pay in any one occurrence under this Extension for loss or damage to all outside signs:
- (a) At or within 1,000 feet of the described premises is \$100,000;
  - (b) At all undescribed premises is \$5,000.

**p. Personal Effects**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to direct physical loss or damage by a Covered Cause of Loss to personal effects or "fine arts" owned by your officers, your partners or your employees while such property is at the described premises.
- (2) The most we will pay for loss or damage in any one occurrence under this Extension is \$25,000 at each described premises.

- (3) Our payment for loss or damage under this Extension will only be for the account of the owner of the property.

**q. Personal Property At Premises Outside of the Coverage Territory**

- (1) You may extend the insurance that applies to Your Business Personal Property and Personal Property of Others to apply to direct physical loss or damage by a Covered Cause of Loss to such property occurring at premises anywhere in the world outside of the Coverage Territory provided that no trade sanction, embargo or similar regulation imposed by the United States of America prohibits us from covering the loss or damage.

- (2) This Extension does not apply to:

- (a) Personal property at an "exhibition";
- (b) Property at any installation site or at temporary storage premises awaiting installation;
- (c) Sales representative property; or
- (d) Personal property in transit.

- (3) The most we will pay for loss or damage in any one occurrence under this Extension is \$50,000.

**r. Personal Property In Transit Outside of the Coverage Territory**

- (1) Unless otherwise indicated in the Declarations or by endorsement, you may extend the insurance provided for Personal Property in Transit in Section **A.1.e.** (including any mode of transportation or type of shipment exclusion), to apply to Your Business Personal Property and Personal Property of Others in your care, custody or control in transit anywhere in the world outside of the Coverage Territory provided that no sanction, embargo or similar regulation imposed by the United States of America prohibits us from covering the loss or damage.

- (2) This Extension also applies to Covered Property in transit which is in the custody of your officers or employees.

- (3) The most we will pay for loss or damage in any one occurrence under this Extension is \$25,000.

**s. Theft Damage to Rented Property**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to direct physical loss or damage by theft or attempted theft to:
- (a) That part of any building at the described premises that you occupy, but do not own, and which contains the Covered Property; and
  - (b) Property within such non-owned building used for maintenance or service of the non-owned building.
- (2) This Extension applies only if you are a tenant and are required in your lease to cover the expense.
- (3) We will not be liable under this Extension for loss or damage by fire or explosion, or to glass (other than glass building blocks) or to any lettering, ornamentation or burglar alarm tape on glass.
- (4) Payment under this Extension will not increase the Limit of Insurance that applies to Your Business Personal Property at the described premises where the direct physical loss or damage occurs.

**t. Undamaged Parts of Stock in Process**

- (1) You may extend the insurance that applies to Your Business Personal Property and Personal Property of Others to apply to the reduction in value of undamaged parts of covered products or "stock" in process which become unmarketable. The reduction in value must be the direct result of direct physical loss or damage by a Covered Cause of Loss to other parts of the covered products or "stock" in process at the described premises.
- (2) The most we will pay for loss or damage in any one occurrence under this Extension is \$50,000.

**u. Valuable Papers and Records – Cost of Research**

- (1) You may extend the insurance that applies to Your Business Personal Property to apply to your costs to research, replace or restore the lost information on lost or damaged "valuable papers and records" for which duplicates do not exist. The loss or damage to "valuable papers and records" must be caused by a Covered Cause of Loss.
- (2) The most we will pay for loss or damage in any one occurrence under this Extension:
- (a) At or within 1,000 feet of the described premises is \$50,000; and
  - (b) While in transit or at all undesignated premises is \$25,000.

**B. COVERED CAUSES OF LOSS**

Covered Causes of Loss means RISKS OF DIRECT PHYSICAL LOSS unless the loss is:

1. Excluded in Section C., Exclusions;
2. Limited in Section D., Limitations; or
3. Excluded or limited in the Declarations or by endorsement.

**C. EXCLUSIONS**

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

**a. Certain Computer-Related Losses**

- (1) Failure, malfunction or inadequacy of:
- (a) Any of the following, whether belonging to any insured or to others:
    - (i) Computer hardware, including microprocessors;
    - (ii) Computer application software;
    - (iii) Computer operating systems and related software;
    - (iv) Computer networks;

(v) Microprocessors (computer chips) not part of any computer system; or

(vi) Any other computerized or electronic equipment or components;

or

(b) Any other products and services, data or functions, that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph (1)(a) above;

due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times.

(2) Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you to determine, rectify or test for, any potential or actual problems described in Paragraph (1) above.

If an excluded Cause of Loss as described in Paragraphs (1) and (2) above results in any of the "specified causes of loss", or in elevator collision resulting from mechanical breakdown, we will pay only for the loss or damage caused by such "specified causes of loss" or elevator collision.

We will not pay for repair, replacement or modification of any items in Paragraphs (1) and (2) above to correct any deficiencies or change in features.

#### b. Earth Movement

(1) Any of the following, all whether naturally occurring or due to man-made or other artificial causes:

(a) Earthquake, including tremors and aftershocks, and earth sinking, rising or shifting related to such event;

(b) Landslide, including any earth sinking, rising or shifting related to such event;

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

(d) Earth sinking (other than "sink-hole 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; or

(e) Volcanic eruption, explosion or effusion.

(2) If Earth Movement as described in:

(a) Paragraphs (1)(a) through (1)(d) above results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion; or

(b) Paragraph (1)(e) above, 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:

(i) Airborne volcanic blast or airborne shock waves;

(ii) Ash, dust or particulate matter; or

(iii) Lava flow.

With respect to coverage for Volcanic Action as set forth in (i), (ii) and (iii) above, volcanic eruptions that occur within any 168-hour period will constitute a single occurrence. Volcanic Action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

(3) This exclusion does not apply to:

(a) Personal property in transit;

(b) Personal property at an "exhibition";

(c) Sales representative property; or

(d) Personal property in the custody of any officer or employee of the

insured while traveling outside of the Coverage Territory.

**c. Fungus, Wet Rot or Dry Rot**

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

But if "fungus", wet rot or dry rot results in any of the "specified causes of loss", we will pay for the loss or damage caused by such "specified causes of loss".

This exclusion does not apply:

- (1) When "fungus", wet rot or dry rot results from fire or lightning; or
- (2) To the extent that coverage is provided under the Limited Coverage for Fungus, Wet Rot or Dry Rot Additional Coverage.

**d. Governmental Action**

Seizure or destruction of property by order of governmental authority except as provided for under the Additional Coverage – Ordinance or Law Coverage.

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.

**e. Intentional Loss**

Any act an insured commits or conspires to commit with the intent to cause a loss.

In the event of such loss, no insured is entitled to coverage, including insureds who did not commit or conspire to commit the act causing the loss.

**f. Neglect**

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

**g. 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.

**h. Ordinance or Law**

(1) The enforcement of any ordinance or law:

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

(2) This exclusion, Ordinance or Law, applies whether the loss results from:

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

**i. Utility Services**

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

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

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

But if the failure or fluctuation of power, 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 or Loss.

Communication services include service relating to Internet access or access to any electronic, cellular or satellite network.

**j. Virus or Bacteria**

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



- (2) With respect to any loss or damage subject to this exclusion, this exclusion supersedes any exclusion relating to "pollutants".

**k. War and Military Action**

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

**l. Water**

- (1) Any of the following, all whether naturally occurring or due to man-made or other artificial causes:
- (a) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether driven by wind (including storm surge) or not;
- (b) Mudslide or mudflow;
- (c) Water or sewage that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment. However, this exclusion does not apply to the backup or overflow of water or sewage from drains within a building if the backup or overflow is not otherwise directly or indirectly caused by the Water Exclusions in Paragraphs (a) or (b) above or in Paragraphs (d) or (e) below.
- (d) Water under the ground surface pressing on, or flowing or seeping through:
- (i) Foundations, walls, floors or paved surfaces;
- (ii) Basements, whether paved or not; or
- (iii) Doors, windows or other openings; or

- (e) Waterborne material carried or otherwise moved by any of the water referred to in Paragraphs (a), (c) and (d) above, or material carried or otherwise moved by mudslide or mudflow.

But if **Water**, as described in (a) through (e) above, results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

- (2) This exclusion does not apply to:
- (a) Personal property in transit;
- (b) Personal property at an "exhibition";
- (c) Sales representative property; or
- (d) Personal property in the custody of any officer or employee of the insured while traveling outside of the Coverage Territory.

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

**a. Collapse**

- (1) Collapse, including any of the following conditions of property or any portion of the property:
- (a) An abrupt falling down or caving in;
- (b) Loss of structural integrity, including separation of portions 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 Paragraphs (a) or (b) above.

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

- (2) This Exclusion does not apply:
- (a) To an abrupt collapse to the extent that coverage is provided under the Abrupt Collapse Additional Coverage in (3) below; or

- (b)** To collapse of Covered Property caused by one or more of the following:
- (i)** Any of the "specified causes of loss" or breakage of building glass, all only as insured against in this Coverage Part;
  - (ii)** Weight of rain that collects on a roof; or
  - (iii)** Weight of people or personal property.
- (3)** Abrupt Collapse Additional Coverage
- The term Covered Cause of Loss includes abrupt collapse as described and limited under Paragraphs **(a)** through **(g)** below.
- (a)** As used in this Additional Coverage, abrupt collapse means abrupt falling down or caving in of a building or any portion of a building with the result that the building or portion of the building cannot be occupied for its intended purpose.
- (b)** We will pay for direct physical loss of or damage to Covered Property, caused by abrupt collapse of a building or any portion of a building that is insured under this Coverage Form, or that contains Covered Property insured under this Coverage Form, if such collapse is caused by one or more of the following:
- (i)** Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
  - (ii)** Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
  - (iii)** Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation;
  - (iv)** Use of defective material or methods of construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling, or renovation is complete, but only if the collapse is caused in part by:
    - A cause of loss listed in Paragraphs **(3)(b)(i)** or **(3)(b)(ii)** above;
    - One or more of the "specified causes of loss";
    - Breakage of building glass;
    - Weight of people or property; or
    - Weight of rain that collects on a roof.
- (c)** Abrupt collapse under Paragraphs **(3)(a)** and **(b)** above does not apply to:
- (i)** A building or any portion of a building that is in danger of falling down or caving in;
  - (ii)** A portion of a building that is standing, even if it has separated from another portion of the building; or
  - (iii)** A building that is standing or any portion of a building that is standing, even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.
- (d)** With respect to the following property:
- (i)** Television and radio towers, antennas, satellite dishes, guy wires, lead-in wiring and masts;
  - (ii)** Awnings, canopies, gutters, downspouts and fences;
  - (iii)** Yard fixtures;
  - (iv)** Outdoor swimming pools;
  - (v)** Bulkheads, pilings, piers, wharves and docks;

- (vi) Beach or diving platforms or appurtenances;
- (vii) Retaining walls;
- (viii) Underground pipes, flues or drains; and
- (ix) Walkways, roadways and other paved surfaces;

if abrupt collapse is caused by a Cause of Loss listed in Paragraphs (3)(b)(i) through (3)(b)(iv) above, we will pay for loss or damage to that property only if:

- (i) Such loss or damage is a direct result of the abrupt collapse of a building or any portion of a building insured under this Coverage Form; and
  - (ii) The property is Covered Property under this Coverage Form.
- (e) If personal property abruptly falls down or caves in and such collapse is not the result of abrupt collapse of a building or any portion of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:
- (i) The collapse of personal property was caused by a Cause of Loss listed in Paragraphs (3)(b)(i) through (3)(b)(iv) above;
  - (ii) The personal property which collapses is inside a building; and
  - (iii) The personal property which collapses is not of a kind listed in Paragraph (3)(d) above, regardless of whether that kind of property is considered to be personal property or real property.
- (f) This Abrupt Collapse Additional Coverage does not apply to personal property that has not abruptly fallen down or caved in, even if the personal property shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

(g) This Abrupt Collapse Additional Coverage will not increase the Limits of Insurance provided in this Coverage Part.

**b. Consequential Loss**

- (1) Delay, loss of use or loss of market; or
- (2) Loss of business income or extra expense except as specifically provided in this Coverage Part.

**c. Dishonesty**

Dishonest or criminal act by you, any of your partners, members, officers, managers, employees (including leased employees), directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:

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

This exclusion does not apply to acts of destruction by your employees (including leased employees), but theft by employees is not covered.

This exclusion does not apply to carriers for hire.

**d. Electrical Damage or Disturbance**

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

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

Electrical, magnetic or electromagnetic energy includes:

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

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

This Exclusion does not apply to loss or damage to "electronic data processing

equipment" or "electronic data processing data and media".

**e. Explosion**

Explosion of steam boilers, steam generators, steam pipes, steam engines or steam turbines owned or leased by you, or operated under your control.

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

**f. Exposed Property**

Rain, snow, sand, dust, ice or sleet to personal property in the open (other than to property in the custody of a carrier for hire).

**g. Freezing**

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

- (1) You do your best to maintain heat in the building or structure; or
- (2) You drain the equipment and shut off the supply if the heat is not maintained.

**h. Liquid Seepage or Leakage**

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

**i. Other Types of Losses**

- (1) Wear and tear;
- (2) Rust, or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking, bulging or expansion;

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

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

This Exclusion does not apply to loss or damage to "electronic data processing equipment" or "electronic data processing data and media";

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

- (a) Dampness or dryness of atmosphere;
- (b) Changes in or extremes of temperature;
- (c) Changes in flavor, color, texture or finish;
- (d) Contamination by other than "pollutants"; and
- (e) Marring or scratching.

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

Also, if an excluded cause of loss listed in Paragraphs (1) through (5) or (7) above results in mechanical breakdown of "electronic data processing equipment", we will pay for the loss or damage caused by that mechanical breakdown of "electronic data processing equipment".

**j. Pollution**

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 any of the "specified causes of loss", we will pay for the loss or damage caused by such "specified causes of loss".

**k. Smoke, Vapor or Gas**

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

This exclusion does not apply to emissions or puff backs of smoke, soot, fumes or vapors from a boiler, furnace or related equipment.

**l. Voluntary Parting**

Voluntary parting with any property by you or anyone else to whom you have entrusted the property.

This Exclusion does not apply to insurance provided under this Coverage Form for personal property in transit if the loss to Covered Property is caused by your acceptance, in good faith, of false bills of lading or shipping receipts.

- 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.** and **3.b.** below results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

- a.** Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in **C.1.** above to produce the loss or damage.
- b.** Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body except as provided in the Additional Coverage – Ordinance or Law Coverage.
- c.** Faulty, inadequate or defective:

- (1) Planning, zoning, development, surveying, siting;
- (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- (3) Materials used in repair, construction, renovation or remodeling; or
- (4) Maintenance;

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

If an excluded cause of loss that is listed in **3.c.** above results in a Covered Cause of Loss, we will pay for the resulting loss or damage caused by that Covered Cause of Loss. But we will not pay for:

- (1) Any cost of:
- (a) Correcting or making good the fault, inadequacy or defect itself; or
- (b) Tearing down, tearing out, repairing or replacing any part of any property to correct the fault, inadequacy or defect;

except as specifically provided under the Water or Other Substance Loss – Tear Out and Replacement Expense Additional Coverage; or

- (2) Any resulting loss or damage by a Covered Cause of Loss to the property that has the fault, inadequacy or defect until the fault inadequacy or defect is corrected.

**4. Special Exclusions**

The following exclusions apply only with respect to the specified coverage or property.

**a. Accounts Receivable**

Under the Accounts Receivable Coverage Extension, we will not pay for:

- (1) Loss or damage caused by or resulting from bookkeeping, accounting or billing errors or omissions;
- (2) Any loss or damage that requires an audit of records or an inventory computation to prove its factual existence; or
- (3) Loss or damage caused by or resulting from alteration, falsification, concealment or destruction of records of accounts receivable done to conceal wrongful giving, taking or withholding of money, securities or other property. But this exclusion only applies to the wrongful giving, taking or withholding.

**b. Valuable Papers and Records**

We will not pay for any loss of or damage to "valuable papers and records" caused by or resulting from the following. In addition, we will not pay for any loss that is a consequence of such loss or damage.

- (1) Unauthorized viewing, copying or use of electronic data (or any proprietary or confidential information or intellectual property in any form) by any person, even if such activity is characterized as theft;

- (2) 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 resulting loss or damage caused by that fire or explosion; or
- (3) Unauthorized instructions to transfer property to any person or place.

**c. Electronic Data Processing Equipment and Electronic Data Processing Data and Media**

- (1) We will not pay for loss of or damage to "electronic data processing equipment", any other programmable electronic machines, "electronic data processing data and media" or other electronic data caused by or resulting from the following. In addition, we will not pay for any loss that is a consequence of such loss or damage.
  - (a) Programming errors, omissions or incorrect instructions to a machine. But if programming errors, omissions or incorrect instructions to a machine result in any of the "specified causes of loss" or result in mechanical breakdown of "electronic data processing equipment", we will pay for the loss or damage caused by that "specified cause of loss" or mechanical breakdown of "electronic data processing equipment";
  - (b) Unauthorized viewing, copying or use of "electronic data processing data and media" by any person, even if such activity is characterized as theft;
  - (c) Errors or deficiency in design, installation, maintenance, repair or modification of your electronic data processing system or any electronic data processing system or network to which your system is connected or on which your system depends (including the electronic data in such system or network). But if errors or deficiency in design, installation, maintenance, repair or modification of your electronic data processing system or any electronic data processing system or network to which your system is

connected or on which your system depends (including the electronic data in such system or network) results in any of the "specified causes of loss" or results in mechanical breakdown of "electronic data processing equipment", we will pay for the loss or damage caused by that "specified cause of loss" or mechanical breakdown of "electronic data processing equipment"; or

- (d) Unexplained or indeterminable failure, malfunction or slowdown of any electronic data processing system or network, including the electronic data in such system or network, and the inability to access or properly manipulate the electronic data.

- (2) We will not pay for loss of or damage to "electronic data processing data and media" or other electronic data while being sent electronically. In addition, we will not pay for any loss that is a consequence of such loss or damage.

**5. Additional Exclusion**

The following exclusion applies only to loss or damage to the specified property and to loss that is a consequence of such loss or damage to the specified property.

**Loss or Damage to Products**

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

**D. LIMITATIONS**

The following limitations apply to all coverage forms and endorsements unless otherwise stated.

1. We will not pay for loss of or damage to property, as described and limited in this section. In addition, we will not pay for any loss that is a consequence of loss or damage as described and limited in this section.
  - a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
  - b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
  - c. The "interior of a building or structure", or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
    - (1) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
    - (2) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.
  - d. Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property.  
This limitation does not apply to property in the custody of a carrier for hire.
  - e. Property that has been transferred to a person or place outside the described premises on the basis of unauthorized instructions.
  - f. Trees, shrubs, plants or lawns on a vegetative roof or "stock" of outdoor trees, shrubs and plants caused by or resulting from:
    - (1) Dampness or dryness of atmosphere;
    - (2) Changes in or extremes of temperature; or
    - (3) Rain, snow, sand, dust, ice or sleet.
2. The special limit shown for each category, **a.** through **c.**, is the total limit for loss of or damage to all property in each category. The special limit applies to any one occurrence of theft, regardless of the types or number of articles that are lost or damaged in that occurrence. The special limits are:
  - a. \$25,000 for furs, fur garments and garments trimmed with fur.
  - b. \$25,000 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals, but;
    - (1) This limit is increased to \$50,000 for gold, silver, platinum, and other precious alloys or metals used as a raw material in your manufacturing process; and
    - (2) This limit does not apply to jewelry and watches worth \$100 or less per item.
  - c. \$5,000 for stamps, tickets (including lottery tickets held for sale) and letters of credit.

These special limits are part of, not in addition to, the Limit of Insurance applicable to the Covered Property.
3. If the building where loss or damage occurs has been "vacant" for a period of more than 60 consecutive days before that loss or damage occurs:
  - 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;
    - (5) Theft; or
    - (6) Attempted theft.
  - b. With respect to Covered Causes of Loss other than those listed in **a.(1)** through **a.(6)** above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

**E. LIMITS OF INSURANCE**

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations, Schedules, Coverage Form(s), or Endorsement(s).

Payments under:

1. The following Additional Coverages:
  - a. Fire Department Service Charge;
  - b. Fire Protective Equipment Discharge;
  - c. Limited Coverage for Fungus, Wet Rot or Dry Rot;
  - d. Stored Water; and
  - e. Water or Other Substance Loss – Tear Out and Replacement Expense;
- and
2. The following Coverage Extensions:
  - a. Covered Leasehold Interest – Undamaged Improvements and Betterments; and
  - b. Theft Damage To Rented Property;

are included in and do not increase the applicable Limits of Insurance.

Payments under the Debris Removal Additional Coverage and the Preservation of Property Additional Coverage are included in the applicable Covered Property Limit(s) of Insurance and/or are additional insurance, as described in the Debris Removal Additional Coverage in Section **A.3.a.** and the Preservation of Property Additional Coverage in Section **A.3.j.**

Payments under the Electronic Data Processing Data and Media Coverage Extension are included in the applicable Covered Property Limit(s) of Insurance and/or are additional insurance, as described in the Electronic Data Processing Data and Media Coverage Extension in Section **A.4.g.**

The remaining Additional Coverages in Section **A.3.** and the remaining Coverage Extensions in Section **A.4.** are additional insurance.

**F. DEDUCTIBLE**

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the applicable Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the applicable Deductible, up to the applicable Limit of Insurance.

Unless otherwise stated, if more than one deductible amount applies to loss or damage in any one occurrence, the total of the deductible

amounts applied in that occurrence will not exceed the amount of the largest applicable deductible.

**G. LOSS CONDITIONS**

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

**1. Abandonment**

There can be no abandonment of any property to us.

**2. Appraisal**

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

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

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

**3. Duties in the Event of Loss or Damage**

- a. You must see that the following are done in the event of loss of 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 loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set



the damaged property aside and in the best possible order for examination.

- (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
- (6) As often as may be reasonably required, permit us to inspect the property and records proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis and permit us to make copies from your books and records.

- (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- (8) Cooperate with us in the investigation or settlement of the claim.
- (9) You will not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent except as respects to protecting property from further damage.

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

#### 4. Loss Payment

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

- (4) Repair, rebuild, or replace the property with other property of like kind and quality subject to **b.**, **c.**, **d.** and **e.** below.

- b. 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 Coverage Part provisions including Limits of Insurance, the Valuation Loss Condition and all other provisions of this Loss Payment Loss Condition. Our payment under the provisions of this paragraph does not alter any right of subrogation we may have against any entity, including the owner or insurer of the adjoining building, and does not alter the terms of the Additional Condition – Transfer of Rights of Recovery Against Others To Us in this Coverage Form.
- c. Except as provided in the Additional Coverage - Ordinance or Law Coverage, 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.
- d. The following loss payment provisions are subject to the apportionment procedures set forth in Additional Coverage – Ordinance or Law Coverage:

The most we will pay, for the total of all covered losses in any one occurrence under Coverage **A** – Coverage For Loss To The Undamaged Portion of the Building, Coverage **B** – Demolition Cost Coverage and Coverage **C** – Increased Cost of Construction Coverage, is the Combined Limit of Insurance shown in the Declarations for Ordinance or Law Coverage. Subject to this Combined Limit of Insurance, the following loss payment provisions apply:

- (1) For a loss in value of an undamaged portion of a building to which Coverage **A** applies, the loss payment for that undamaged portion of the building will be determined as follows:
  - (a) If Replacement Cost Coverage applies and the property is being repaired or replaced, on the same or another location, we will not pay more than the lesser of:
    - (i) The cost to repair, rebuild or reconstruct the undamaged portion of the building that was necessarily demolished as a consequence of the ordinance or law but not for more than the amount it would cost to restore that undamaged portion of the building on the same location and to the same height, floor area, style and comparable quality of the original property insured; or
    - (ii) The Combined Limit of Insurance shown in the Declarations for the Additional Coverage – Ordinance or Law Coverage.
  - (b) If Replacement Cost Coverage applies and the property is not repaired or replaced, or if Replacement Cost Coverage does not apply, we will not pay more than the lesser of:
    - (i) The Actual Cash Value at the time of loss of the undamaged portion of the building that is required to be demolished as a consequence of the ordinance or law; or
    - (ii) The Combined Limit of Insurance shown in the Declarations for the Additional Coverage – Ordinance or Law Coverage.
- (2) Loss payment under Coverage **B** will be determined as follows:
  - (a) The amount you actually spend to demolish and clear the site; or
  - (b) The Combined Limit of Insurance shown in the Declarations for the
    - Additional Coverage – Ordinance or Law Coverage;
 whichever is less.
- (3) Loss payment under Coverage **C** will be determined as follows:
  - (a) We will not pay under Coverage **C**:
    - (i) Until the property is actually repaired or replaced, at the same or another location; and
    - (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
  - (b) If the building is repaired or replaced at the same location, or if you elect to rebuild at another location, the most we will pay under Coverage **C** is the lesser of:
    - (i) The increased cost of construction at the same location; or
    - (ii) The Combined Limit of Insurance shown in the Declarations for the Additional Coverage – Ordinance or Law Coverage.
  - (c) If the ordinance or law requires relocation to another location, the most we will pay under Coverage **C** is the lesser of:
    - (i) The increased cost of construction at the new location; or
    - (ii) The Combined Limit of Insurance shown in the Declarations for the Additional Coverage – Ordinance or Law Coverage.
- e. Except as specifically provided under the:
  - (1) Green Building Alternatives – Increased Cost Additional Coverage; and
  - (2) Green Building Reengineering and Recertification Expense Additional Coverage;

the cost to repair, rebuild or replace does not include any cost incurred to reattain a pre-loss level of "green building" certification from a "Green Authority".

- f. With respect to our options listed in **4.a.(1)** through **4.a.(4)** above, we will give notice of our intentions within 30 days after we receive the proof of loss.
- g. We will not pay you more than your financial interest in the Covered Property.
- h. 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 owner's property. We will not pay the owners more than their financial interest in the Covered Property.
- i. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- j. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, if:
  - (1) You have complied with all of the terms of this Coverage Part; and
  - (2) (a) We have reached agreement with you on the amount of loss; or
    - (b) An appraisal award has been made.
- k. At our option, we may make a partial payment toward any claims, subject to the policy provisions and our normal adjustment process. To be considered for a partial claim payment, you must submit a partial sworn proof of loss with supporting documentation. Any applicable policy deductibles must be satisfied before any partial payments are made.

## 5. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property.

- a. We will pay:
  - (1) Recovery expenses; and
  - (2) Costs to repair the recovered property;
- b. But the amount we will pay will not exceed:

- (1) The total of **a.(1)** and **a.(2)** above;
  - (2) The value of the recovered property; or
  - (3) The Limit of Insurance;
- whichever is less.

## 6. Valuation

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

- a. At replacement cost as of the time of loss or damage, except as otherwise provided in this Valuation Loss Condition. Replacement cost is the cost to replace Covered Property at the time of loss or damage without deduction for depreciation.

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

Instead, we will pay on an actual cash value basis. This restriction does not apply to losses less than \$10,000.

- (3) We will not pay more for loss or damage on a replacement cost basis than the least of **(a)**, **(b)**, or **(c)**, subject to **(4)** below:
  - (a) The Limit of Insurance applicable to the lost or damaged property;
  - (b) The cost to replace, at the same premises, the lost or damaged property with other property;
    - (i) Of comparable material and quality; and

(ii) Used for the same purpose;  
or

(c) The amount you actually spend that is necessary to repair or replace the lost or damaged property.

If a building is rebuilt at a different premises, the cost described in (b) above is limited to the cost which would have been incurred had the building been built at the original premises.

(4) 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, except as provided in the Additional Coverage - Ordinance or Law Coverage.

b. "Electronic data processing equipment" will be valued at replacement cost as of the time and place of loss, in accordance with the replacement cost provisions contained in this Valuation Loss Condition. However, if replacement of "electronic data processing equipment" with comparable property is impossible, the replacement cost will be the cost of items that are similar to the damaged or destroyed equipment and intended to perform the same function, but which may include technological advances.

In no event will the value determined for:

(1) "Electronic data processing equipment" owned by others exceed the amount for which you are liable; or

(2) "Electronic data processing equipment" that is obsolete or no longer used by you exceed the actual cash value of such equipment at the time of loss.

c. "Electronic data processing data and media" will be valued at:

(1) The cost of blank media; and

(2) The cost of labor to copy the electronic data from a duplicate of the electronic data, but only if the lost electronic data is actually copied.

The restoration of "electronic data processing data and media" for which duplicates do not exist is provided under the

Electronic Data Processing Data and Media Coverage Extension.

d. Tenant's improvements and betterments at:

(1) Replacement cost of the lost or damaged property if it is actually repaired or replaced as soon as reasonably possible.

(2) A proportion of your original cost if you do not make repairs as soon as reasonably possible. 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.

e. Personal property you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.

f. Personal property of others at the lesser of:

(1) The valuation of such property if it were owned by you; or

(2) The amount for which you are contractually liable, not to exceed the replacement cost.

g. "Stock" in process at the cost of raw materials and labor, plus the proper proportion of overhead charges.

h. Finished "stock" you manufacture at:

(1) The selling price, as if no loss or damage occurred;

(2) Less discounts and expenses you otherwise would have had.

i. Personal property in transit at:

(1) (a) The amount of invoice; or

- (b) In the absence of an invoice, the least of the following:
- (i) The value of the Covered Property;
  - (ii) The cost of reasonably restoring that property to its condition immediately before loss or damage; or
  - (iii) The cost of replacing that property with substantially the same property;
- plus
- (2) The amount of any prepaid freight charges and other shipping costs or charges that are incurred while the property is in transit.
- j. Glass at:
- (1) The cost of replacement with safety glazing material if required by law;
- plus
- (2) The amount of reasonable expenses incurred to put up temporary plates or board up openings if repair or replacement of the damaged glass is delayed.
- k. "Valuable papers and records" at the cost of:
- (1) Blank material for reproducing the records; and
  - (2) Labor to transcribe or copy records for which duplicates exist.
- The restoration of data on "valuable papers and records" for which duplicates do not exist is provided under the Valuable Papers and Records – Cost of Research Papers and Records – Cost of Research Coverage Extension.
- l. Works of arts, antiques or rare articles at the least of:
- (1) The price at which the property could likely be sold prior to loss or damage if offered for sale in a fair market on the date the loss or damage occurred;
  - (2) The cost of reasonably restoring that property; or
  - (3) The cost of replacing that property with substantially the same property.
- m. Personal property at "exhibitions" at the lesser of replacement cost or the original cost to you.
- n. Patterns, dies, molds, and forms not in current usage at actual cash value. If loss is paid on an actual cash value basis, and within 24 months from the date of the loss you need to repair or replace one or more of them, we will pay you, subject to the conditions of this insurance, the difference between actual cash value and replacement cost for those patterns, molds and dies which are actually repaired or replaced.
- o. Personal property valuation includes the pro-rated value of non-refundable and non-transferable extended warranties, maintenance contracts or service contracts that you purchased, on lost or damaged personal property that you repair or replace. This applies only when the extended warranty, maintenance contract or service contract is voided due to the loss or damage to the personal property.
- p. If branded or labeled merchandise that is Covered Property is damaged by a Covered Cause of Loss and we take all or part of the property at an agreed or appraised value, we will pay, subject to the Limit of Insurance that applies to the damaged property:
- (1) The reasonable expenses you incur to:
    - (a) Stamp the word *Salvage* on the merchandise or its containers, if the stamp will not physically damage the merchandise; or
    - (b) Remove the brands or labels, if doing so will not physically damage the merchandise. You must re-label the merchandise or its containers to comply with the law.
  - (2) The reduction in the salvage value of the damaged merchandise with the brand or label removed.
- q. If you decide to repair or rebuild buildings which have sustained loss or damage, our payment will include any reasonable and necessary architectural, engineering, consulting or supervisory fees incurred. This will not increase the applicable Limits of Insurance.
- r. Pairs, sets or parts:
- (1) In case of loss to any part of a pair or set we may at our option:

- (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.
- (2) In case of loss 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. ADDITIONAL CONDITIONS

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

### 1. 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:

- a. This Coverage Part;
- b. The Covered Property;
- c. Your interest in the Covered Property; or
- d. A claim under this Coverage Part.

### 2. Control of Property

The breach of any condition of this Coverage Part as a result of 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.

### 3. Currency

The amounts used within this Coverage Part are in the currency of the United States of America and all premium and losses are payable in United States currency. In the event of a loss adjustment involving currency other than United States currency, the conversion into United States currency will be at the published rate of exchange as of the date of the loss.

### 4. Legal Action Against Us

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

- a. There has been full compliance with all of the terms of this Coverage Part; and

- b. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

### 5. Liberalization

If we adopt any revision that would broaden the coverage under this Coverage Part without additional premium within 60 days prior to or during the policy period, the broadened coverage will immediately apply to this Coverage Part.

### 6. Mortgageholders

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

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

- e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:
  - (1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and

- (2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

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

- f. If we cancel this policy, we will give written notice to the mortgageholder at least:
- (1) 10 days before the effective date of cancellation if we cancel for your non-payment of premium; or
  - (2) 60 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 60 days before the expiration date of this policy.

#### 7. No Benefit to Bailee

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

#### 8. Other Insurance

- a. 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.
- b. If there is other insurance covering the same loss or damage, other than that described in Paragraph a. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.
- c. If loss or damage is also covered by a service agreement, any amounts payable for such loss or damage under this Coverage Part will be excess over any amounts payable under such agreement. Service agreement means a service plan, property restoration plan, or similar ser-

vice warranty agreement, even if it is characterized as insurance.

#### 9. Policy Period, Coverage Territory

Under this Coverage Part:

- a. We cover loss or damage commencing:
  - (1) During the policy period shown in the Declarations; and
  - (2) Within the Coverage Territory.
- b. Except as otherwise specifically provided, the Coverage Territory is:
  - (1) The United States of America (including its territories and possessions);
  - (2) Puerto Rico; and
  - (3) Canada.

#### 10. 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:

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

This will not restrict your insurance.

#### 11. Unintentional Errors In Description

Your error in how you describe the address of a location in the Location Schedule shall not prejudice coverage afforded by this policy, provided such error is not intentional. Any such error shall be reported and corrected when discovered and appropriate premium charged.

#### I. OPTIONAL COVERAGES

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

1. **Actual Cash Value** replaces the term Replacement Cost where used in the Valuation Loss Conditions in Section **G.6.** of this Coverage Form.

2. **Inflation Guard**

a. The Limit of Insurance for property to which this Optional Coverage applies will automatically increase by the annual percentage shown in the Declarations.

b. The amount of increase will be:

(1) The Limit of Insurance that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Limit of Insurance; times

(2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08); times

(3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the Limit of Insurance, divided by 365.

Example:

If:

The applicable Limit of Insurance is: \$100,000

The annual percentage increase is: 8%

The number of days since the beginning of the policy year (or last policy change)

is: 146

The amount of the increase is: \$100,000 x .08 x 146/365 = \$3,200

**J. DEFINITIONS**

1. **"Electronic Data Processing Data and Media"** means the following:

a. "Electronic data processing data and media" means:

(1) Data stored on, created or used on, or transmitted to or from computer software (including systems and applications software) on electronic data processing recording or storage media such as hard or floppy disks, CDs, DVDs, flash memory, tapes, drives, cells, data processing devices or any other repositories of computer

software which are used with electronically controlled equipment;

(2) The electronic media on which the data is stored; and

(3) Programming records and instructions used with "electronic data processing equipment".

b. "Electronic data processing data and media" does not mean:

(1) Prepackaged software;

(2) Property that you manufacture or hold for sale; or

(3) Property that is licensed, leased, or rented to others.

2. **"Electronic Data Processing Equipment"** means the following:

a. "Electronic data processing equipment" means any of the following equipment used in your data processing operations:

(1) Electronic data processing equipment, facsimile machines, word processors, multi-functional telephone equipment and laptop and portable computers; and

(2) Any component parts or peripherals of such equipment, including related surge protection devices.

b. "Electronic data processing equipment" does not mean:

(1) Property that is in the course of manufacture, or held for sale or distribution by you;

(2) Property that is leased or rented to others; or

(3) Equipment that is used to control or operate production-type machinery or equipment.

3. **"Employee Tools"** means tools and equipment owned by your employees and used in your business operations.

4. **"Exhibition"** means the temporary display of personal property at a convention, exposition, trade show or similar event at a location you do not own or regularly occupy.

5. **"Fine Arts"** means paintings, etchings, pictures, tapestries, art glass windows, valuable rugs, statuary, marbles, bronzes, antique furniture, rare books, antique silver, manuscripts, porcelains, rare glass, bric-a-brac and



similar property of rarity, historical value, or artistic merit.

6. **"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.
7. **"Green"** means products, materials, methods and processes that conserve natural resources, reduce energy or water consumption, avoid toxic or other polluting emissions or otherwise minimize the environmental impact.
8. **"Green Authority"** means a recognized authority on "green" building or "green" products, materials or processes.
9. **"Interior of a Building or Structure"** means any portion of a building or structure that is within the exterior-facing surface material of the building or structure.
10. **"Pollutants"** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, waste and any unhealthful or hazardous building materials (including but not limited to asbestos and lead products or materials containing lead). Waste includes materials to be recycled, reconditioned or reclaimed.
11. **"Sinkhole Collapse"** means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite.  
This cause of loss does not include:
  - (1) The cost of filling sinkholes; or
  - (2) Sinking or collapse of land into man made underground cavities.
12. **"Specified Causes of Loss"** means the following: Fire; lightning; explosion; windstorm or hail; smoke (including the emission or puff back of smoke, soot, fumes or vapors from a boiler, furnace or related equipment); aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; "sinkhole collapse"; volcanic action; falling objects as limited below; weight of snow, ice or sleet; "water damage", all only as otherwise insured against in this Coverage Part.  
Falling objects does not include loss or damage to:
  - a. Personal property in the open; or

- b. The "interior of a building or structure", or property inside a building or structure, unless the roof or an exterior wall of the building or structure is first damaged by a falling object.

When the Causes of Loss – Earthquake endorsement, Causes of Loss – Earthquake Sprinkler Leakage endorsement or Causes of Loss – Broad Form Flood endorsement is included in this Coverage Part, "specified causes of loss" also includes such cause of loss, but only to the extent such cause of loss is insured against under this Coverage Part.

13. **"Stock"** means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.
14. **"Territorial Waters"** means that portion of the sea which is immediately adjacent to the shores of any country and over which the sovereignty and exclusive jurisdiction of that country extends, but not exceeding 12 nautical miles from the mean low-water mark of the shore of that country.
15. **"Vacant"** means the following:
  - a. When this policy is issued to a tenant, a building is "vacant" when it does not contain enough business personal property to conduct customary operations. With respect to tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant.
  - b. When this policy is issued to the owner or general lessee of a building, a building is "vacant" unless at least 31% of its total square footage is:
    - (1) Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; and/or
    - (2) Used by the building owner to conduct customary operations.
 With respect to the owner or general lessee's interest in Covered Property, building means the entire building.
  - c. A building under construction or renovation is not considered "vacant".
16. **"Valuable Papers and Records"** means inscribed, printed or written documents, manuscripts or records, including abstracts, books, deeds, drawings, films, maps and mortgages.

But "Valuable papers and records" does not mean:

- a. Accounts receivable;
- b. Money or securities; or
- c. "Electronic data processing data and media" or any other data that exists on electronic media.

**17. "Water damage" means:**

- a. Accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts)

- b. Accidental discharge or leakage of water as the direct result of the breaking apart or cracking of a water or sewer pipe that is located off the described premises, if the breakage or cracking is caused by wear and tear. This provision serves as an exception to the wear and tear exclusion under the Other Types of Losses Exclusion in Section **(C.2.i.)**. But water damage does not include loss or damage otherwise excluded under the terms of the Water Exclusion **(C.1.i.)**.

# DELUXE BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM

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

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

Other words and phrases that appear in quotation marks have special meaning. REFER TO SECTION G. – DEFINITIONS in this Coverage Form and SECTION J. – DEFINITIONS in the Deluxe Property Coverage Form.

## A. 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"; and
- The actual Extra Expense you incur during the "period of restoration";

caused by direct physical loss of or damage to property at premises which are described in the Declarations and for which a Business Income and Extra Expense Limit of Insurance is shown in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 1,000 feet of the site at which the described premises are located.

With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:

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

### 1. Business Income

- a.** Business Income means the sum of the:
- (1) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred; plus
  - (2) Continuing normal operating expenses incurred, including payroll.
- For manufacturing risks, Net Income includes the net sales value of production.

- b.** The coverage provided for Business Income is based on the entry shown in the Declarations for "Rental Value". When:

- (1) *Included* is shown, the term Business Income includes "Rental Value";
- (2) *Excluded* is shown, the term Business Income excludes "Rental Value";
- (3) *Only* is shown, the term Business Income means "Rental Value" only.

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

### 2. Extra Expense

Extra Expense means reasonable and necessary expenses described in **a.**, **b.** and **c.** below that you incur during the "period of restoration" and that you would not have incurred if there had been no direct physical loss of or damage to property caused by or resulting from a Covered Cause of Loss:

- a.** Expenses to avoid or minimize the "suspension" of business and to continue "operations" at:
- (1) The described premises; or
  - (2) Replacement premises or temporary locations, including:
    - (a) Relocation expenses; and
    - (b) Costs to equip and operate the replacement premises or temporary locations;
- b.** Expenses to minimize the "suspension" of business if you cannot continue "operations"; or
- c.** Expenses to repair or replace property, but only to the extent the amount of loss that otherwise would have been payable under this Coverage Form is reduced.

### 3. Covered Causes of Loss

Covered Causes of Loss means RISKS OF DIRECT PHYSICAL LOSS unless the loss is excluded or limited in:

- a. Section **C.** Exclusions or Section **D.** Limitations of the Deluxe Property Coverage Form; or
- b. Section **B.** Exclusions and Limitation of this Coverage Form; or
- c. In the Declarations or by endorsement.

### 4. Additional Coverages

Each of the following Additional Coverages applies subject to the Limit(s) of Insurance stated in this Coverage Form, unless a revised Limit of Insurance or *Not Covered* is indicated in the Declarations or the coverage is otherwise amended by endorsement:

#### a. Alterations and New Buildings

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

- (1) New buildings or structures, whether complete or under construction;
- (2) Alterations or additions to existing buildings or structures; and
- (3) Machinery, equipment, supplies or building materials located on or within 1,000 feet of the described premises and:
  - (a) Used in the construction, alterations or additions; or
  - (b) Incidental to the occupancy of new buildings.

If such direct physical loss or damage delays the start of "operations", the "period of restoration" for Business Income coverage will begin on the date "operations" would have begun if the direct physical loss or damage had not occurred. This change in the start of the "period of restoration" does not apply to Extra Expense.

#### b. Business Income From Dependent Property

- (1) We will pay for:
  - (a) The actual loss of Business Income you sustain due to the necessary "suspension" of your "op-

erations" during the "period of restoration"; and

- (b) The actual Extra Expense you incur during the "period of restoration";

caused by direct physical loss of or damage to property at the premises of a "dependent property" located anywhere in the world provided that no sanction, embargo or similar regulation imposed by the United States of America prohibits us from covering such loss. The loss or damage to the property must be caused by or result from a Covered Cause of Loss.

- (2) This Additional Coverage does not apply to "dependent property" for which you have more specific insurance under this or any other policy.
- (3) The most we will pay in any one occurrence under this Additional Coverage for loss of Business Income and Extra Expense arising out of damage to property at the premises of a "dependent property" located:
  - (a) Within the Coverage Territory is \$100,000; and
  - (b) Anywhere in the world outside of the Coverage Territory is \$100,000.
- (4) With respect only to the insurance provided under this Additional Coverage, the phrase, *at the described premises*, as used in the definition of "period of restoration" is deleted and replaced by the phrase *at the premises of a "dependent property"*.

#### c. Civil Authority

- (1) When a Covered Cause of Loss causes damage to property other than property at the described premises, we will pay for the actual loss of Business Income you sustain and the actual 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 100 miles 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) 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 thirty consecutive days from the date on which such coverage began.
- (3) 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) Thirty consecutive days after the date of that action; or
  - (b) When your Civil Authority Coverage for Business Income ends; whichever is later.

**d. Contract Penalties**

- (1) We will pay for Contract Penalties you incur due to the necessary "suspension" of your "operations" during the "period of restoration". The "suspension" of your "operations" must be caused by direct physical loss or damage by a Covered Cause of Loss to property at the described premises, including "finished stock" and personal property in the open (or in a vehicle) within 1,000 feet of the described premises.
- (2) As used in this Additional Coverage, Contract Penalties means amounts which, under the terms of a written contract that is in effect at the time of the direct physical loss or damage, you are required to pay to your customers for failure to deliver your products or services on time.

- (3) The most we will pay for all Contract Penalties incurred in any one occurrence under this Additional Coverage, regardless of the number of contracts involved is \$25,000.

**e. Extended Business Income**

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

If the necessary "suspension" of your "operations" produces a Business Income loss payable under this Coverage Part, 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) 180 consecutive days after the date determined in (1)(a) above, unless otherwise stated in the Declarations or by endorsement.

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

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

**(2) "Rental Value"**

If the necessary "suspension" of your "operations" produces a "Rental Value" loss payable under this Coverage Part, 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) 180 consecutive days after the date determined in (2)(a) above, unless otherwise stated in the Declarations or by endorsement.

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

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

**f. Fungus, Wet Rot or Dry Rot – Amended Period of Restoration**

- (1) The coverage described in f.(2) and f.(3) below only applies when "fungus", wet rot or dry rot is the result of any of the "specified causes of loss", other than fire or lightning, that occurs at the described premises during the policy period, and only if all reasonable means have been used to save and preserve the property from further damage at the time of and after that occurrence.
- (2) If the cause of loss at the described premises which results in "fungus", wet rot or dry rot does not, in itself, necessitate a "suspension" of "operations", but such "suspension" of "operations" is necessary due to loss or damage to property at the described premises caused by "fungus", wet rot or dry rot, then our payment for loss of Business Income and Extra Expense is limited to the actual amount

of such loss and expense sustained during a period of not more than 30 days unless another number of days is shown in the Declarations. The days need not be consecutive.

- (3) If a covered "suspension" of "operations" is caused by a cause of loss at the described premises other than "fungus", wet rot or dry rot, but remediation of resulting loss by "fungus", wet rot or dry rot prolongs the "period of restoration", we will pay for the actual loss of Business Income and the actual Extra Expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to a period of not more than 30 days unless another number of days is shown in the Declarations. The days need not be consecutive.
- (4) The Fungus, Wet Rot or Dry Rot exclusion in Section C.1.c. of the Deluxe Property Coverage Form does not apply to the insurance specifically provided under this Additional Coverage.

**g. Green Building Alternatives – Increased Period of Restoration**

If direct physical loss or damage by a Covered Cause of Loss occurs to a building at a described premises, we will pay for the actual loss of Business Income you sustain and the actual Extra Expense you incur during the reasonable and necessary increase in the "period of restoration" that is incurred to:

- (1) Repair or replace the lost or damaged portions of the building using products or materials that:
  - (a) Are "green" alternatives to the products or materials of the lost or damaged property, in accordance with the documented standards of a "Green Authority"; and
  - (b) Are otherwise of comparable quality and function to the damaged property;
- and
- (2) Employ "green" methods or processes of construction, disposal or recycling in the course of repair and replacement of the lost or damaged

building, in accordance with the documented standards of a "Green Authority";

subject to a maximum of 30 additional days, unless another number of days is shown in the Declarations, from the date the "period of restoration" would otherwise have ended.

#### **h. Ordinance or Law – Increased Period of Restoration**

(1) If direct physical loss or damage by a Covered Cause of Loss occurs to property at the described premises, we will pay for the actual loss of Business Income you sustain and the actual Extra Expense you incur during the reasonable and necessary increase in the "period of restoration" caused by or resulting from the enforcement of any ordinance or law which:

- (a) Regulates the construction or repair of any property;
- (b) Requires the tearing down of parts of property not damaged by a Covered Cause of Loss; and
- (c) Is in force at the time of loss.

However, this Additional Coverage applies only to the increased period required to repair or reconstruct the property to comply with the minimum standards of such ordinance or law.

(2) This Additional Coverage does not apply to any loss caused by or resulting from:

- (a) The enforcement of any ordinance or law which requires:
  - (i) 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 rot or dry rot; or
  - (ii) 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 "pollut-

ants", "fungus", wet rot or dry rot;

or

(b) The enforcement of any ordinance or law which:

- (i) You were required to comply with before the loss, even if the building was undamaged; and
- (ii) You failed to comply with.

(3) The Ordinance or Law exclusion in Section **C.1.h.** of the Deluxe Property Coverage Form does not apply to the insurance specifically provided under this Additional Coverage.

(4) The most we will pay for loss and expense in any one occurrence under this Additional Coverage is \$250,000.

#### **5. Coverage Extensions**

Each of the following Coverage Extensions applies subject to the Limit of Insurance stated in this Coverage Form, unless a different Limit of Insurance or *Not Covered* is indicated in the Declarations, or the coverage is otherwise amended by endorsement:

##### **a. Claim Data Expense**

(1) You may extend the insurance provided by this Coverage Form to apply to the reasonable expenses you incur in the preparation of claim data when we require it to adjust a covered loss. This includes the cost of preparing income statements and other documentation to show the extent of loss.

(2) We will not pay for:

- (a) Any expenses incurred, directed or billed by or payable to attorneys, insurance adjusters or their associates or subsidiaries;
- (b) Any costs as provided in the Appraisal Loss Condition; or
- (c) Any expenses incurred, directed or billed by or payable to insurance brokers or agents, or their associates or subsidiaries, without our written consent prior to such expenses being incurred.

(3) The most we will pay in any one occurrence under this Extension is \$25,000.

**b. Ingress or Egress**

(1) You may extend the insurance provided by this Coverage Form for:

- (a) The actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration"; and
- (b) The actual Extra Expense you incur during the "period of restoration";

to apply to the actual amount of such loss of Business Income and Extra Expense that you incur when ingress to or egress from the described premises is prevented (other than as provided in the Civil Authority Additional Coverage).

(2) The prevention of ingress to or egress from the described premises must be caused by direct physical loss or damage by a Covered Cause of Loss to property that is away from, but within 1 mile of the described premises, unless a different number of miles is shown in the Declarations. This coverage will apply for up to 30 consecutive days from the date when the ingress or egress is first prevented.

(3) The most we will pay under this Extension for the sum of Business Income loss and Extra Expense incurred in any one occurrence is \$25,000.

**c. Newly Acquired Locations**

(1) You may extend the insurance provided by this Coverage Form for:

- (a) The actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration"; and
- (b) The actual Extra Expense you incur during the "period of restoration";

to apply to the actual amount of such loss of Business Income and Extra Expense that you incur caused by direct physical loss or damage by a Covered Cause of Loss to property (including property under construc-

tion) at any location you newly acquire by purchase, lease or otherwise, other than at "exhibitions".

(2) The most we will pay under this Extension for the sum of Business Income loss and Extra Expense incurred in any one occurrence is \$500,000 at each newly acquired location.

(3) With respect only to the insurance provided under this Extension, the phrase, *at the described premises*, as used in the definition of "period of restoration" is deleted and replaced by the phrase *at a newly acquired location*.

(4) Insurance under this Extension for each newly acquired location will end when any of the following first occurs:

- (a) This policy expires;
- (b) 180 days expire after you acquire or begin to construct the property;
- (c) You report the location to us; or
- (d) Coverage for Business Income and Extra Expense at the location is more specifically insured.

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

**d. Pollutant Cleanup and Removal**

(1) You may extend the insurance provided by this Coverage Form for:

- (a) The actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration"; and
- (b) The actual Extra Expense you incur during the "period of restoration";

to apply to the actual amount of such loss of Business Income and Extra Expense that you incur during the increased period of time necessarily required to extract "pollutants" from land or water at the described premises.

(2) The insurance provided under this Extension applies only if the discharge, dispersal, seepage, migration, release or escape of the "pollut-



ants" into the land or water is caused by or results from direct physical loss or damage by any of the "specified causes of loss" which occurs:

- (a) To property at the described premises that is Covered Property under the Deluxe Property Coverage Form of this policy; and
  - (b) During the Policy Period.
- (3) The most we will pay under this Extension for the sum of Business Income loss and Extra Expense incurred arising out of all "specified causes of loss" that occur during each separate 12 month period of this policy (beginning with the effective date of this policy), is \$25,000.

**e. Transit Business Income**

(1) You may extend the insurance provided by this Coverage Form for:

- (a) The actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration"; and
- (b) The actual Extra Expense you incur during the "period of restoration";

to apply to the actual amount of such loss of Business Income and Extra Expense that you incur caused by direct physical loss or damage by a Covered Cause of Loss to property while in the due course of transit at your risk within the Coverage Territory.

(2) This Extension does not apply to loss caused by or resulting from loss of or damage to:

- (a) Shipments by a government postal service, except by registered mail;
- (b) Export and import shipments while covered under an ocean marine cargo or other insurance policy;
- (c) Property while waterborne except while in transit by inland water carriers or by coastwise vessels operating within "territorial waters";

(d) Property of others for which you are responsible while acting as a common or contract carrier, car-loader, freight forwarder, freight consolidator, freight broker, shipping association or similar arranger of transportation, or as a public warehouseman;

(e) Property within a conveyance or container caused by theft while the conveyance or container is unattended unless the portion of the conveyance or container containing the property is fully enclosed and securely locked, and the theft is by forcible entry of which there is visible evidence; or

(f) The transporting conveyance.

(3) With respect only to the insurance provided under this Extension, the phrase, *at the described premises*, as used in the definition of "period of restoration" is deleted and replaced by the phrase *in the due course of transit*.

(4) The most we will pay under this Extension for the sum of Business Income loss and Extra Expense incurred in any one occurrence is \$25,000.

**f. Undescribed Premises**

(1) You may extend the insurance provided by this Coverage Form for:

- (a) The actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration"; and
- (b) The actual Extra Expense you incur during the "period of restoration";

to apply to the actual amount of such loss of Business Income and Extra Expense that you incur caused by direct physical loss or damage by a Covered Cause of Loss to property at Undescribed Premises, as defined in (2) below.

(2) Undescribed Premises, as used in this Extension, means premises:

- (a) Owned, leased or operated by you; or

- (b) Not owned, leased or operated by you, where your business personal property or business personal property of others in your care custody or control is located; that are within the Coverage Territory and not described in the Declarations nor reported to or accepted by us for coverage under this Coverage Form.
- (3) This Extension does not apply to loss caused by or resulting from loss or damage to property:
- (a) At the premises of a "dependent property";
- (b) At any location to which the Newly Acquired Locations Coverage Extension applies; or
- (c) In the due course of transit.
- (4) The most we will pay under this Extension for the sum of Business Income loss and Extra Expense incurred in any one occurrence is \$25,000.
- (5) With respect only to the insurance provided under this Extension, the phrase *at the described premises*, as used in the definition of "period of restoration", is replaced by the phrase *at Undescribed Premises*.

## B. EXCLUSIONS AND LIMITATION

The following exclusions and limitation apply in addition to the exclusions and limitations contained in the Deluxe Property Coverage Form.

### 1. Exclusions

We will not pay for:

- a. Any loss caused by or resulting from:
- (1) Damage or destruction of "finished stock"; or
- (2) The time required to reproduce "finished stock".
- This exclusion does not apply to Extra Expense or to the insurance provided under the Contract Penalty Additional Coverage.
- b. Any loss caused by or resulting from direct physical loss of or damage to the following property:
- (1) Harvested grain, hay, straw or other crops while outside of buildings;

- (2) Outdoor trees, shrubs, plants, lawns (including fairways, greens and tees), artificial turf and associated underlayment, growing crops, land or water;
- (3) Communication, radio or television antennas (including satellite dishes), and their lead-in wiring, masts or towers;
- (4) Animals, unless the loss is caused by or results from a "specified cause of loss", and then only if, as a direct result of the "specified cause of loss", the animals are killed or their death or destruction is made necessary; or
- (5) Human body parts and fluids, including organs, tissues, blood and cells.
- c. Any increase of loss caused by or resulting from:
- (1) 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
- (2) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the "suspension" of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage or any variation thereof.

- d. Any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration".
- e. Any other consequential loss including fines and penalties, except as specifically provided under the Contract Penalties Additional Coverage.

### 2. Limitation – Electronic Media and Records

- a. We will not pay for any loss of Business Income caused by direct physical loss of or damage to electronic media and records after the longer of:
- (1) 60 consecutive days from the date of direct physical loss or damage; or

- (2) The period, beginning with the date of direct physical loss or damage, necessary to repair, rebuild or replace, with reasonable speed and similar quality, other property at the described premises (or other location of the loss to which this insurance applies) which suffered loss or damage in the same occurrence.

This Limitation does not apply to Extra Expense.

- b. Electronic Media and Records are:
  - (1) Electronic data processing, recording or storage media such as hard or floppy disks, CDs, DVDs, flash memory, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment;
  - (2) Data stored on such media; or
  - (3) Programming records used for electronic data processing or electronically controlled equipment.

**EXAMPLE NO. 1**

A Covered Cause of Loss damages a computer on June 1. It takes until September 1 to replace the computer, and until October 1 to restore the computer data that was lost when the damage occurred. We will only pay for the Business Income loss sustained during the period June 1 - September 1. Loss during the period September 2 - October 1 is not covered.

**EXAMPLE NO. 2**

A Covered Cause of Loss results in the loss of data processing programming records on August 1. The records are replaced on October 15. We will only pay for the Business Income loss sustained during the period August 1 - September 29 (60 consecutive days). Loss during the period September 30 - October 15 is not covered.

**C. LIMITS OF INSURANCE**

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations, Schedules, Coverage Form(s), or Endorsement(s).

Payments under:

- 1. The following Additional Coverages:

- a. Alterations and New Buildings;
- b. Civil Authority;
- c. Extended Business Income;
- d. Fungus, Wet Rot or Dry Rot – Amended Period of Restoration;
- e. Green Building Alternatives – Increased Period of Restoration;

and

- 2. The Ingress or Egress Coverage Extension; are included in and do not increase the applicable Limits of Insurance.

The remaining Additional Coverages in Section **A.4.** and the remaining Coverage Extensions in Section **A.5.** are additional insurance.

**D. DEDUCTIBLE**

- 1. An hour deductible applies to your Business Income coverage. We will not pay for loss of Business Income in any one occurrence that is incurred during the period of time that:
  - a. Begins at the time of direct physical loss or damage that triggers the Business Income coverage; and
  - b. Continues for the consecutive number of hours shown in the Declarations as the applicable Business Income hour deductible.
- 2. The Business Income hour deductible described in **1.** above does not:
  - a. Apply to or alter the coverage period that applies to the Business Income coverage provided under the Civil Authority Additional Coverage; or
  - b. Apply to the Contract Penalties Additional Coverage.
- 3. If a separate dollar deductible applies to other loss or damage in that same occurrence under this Coverage Part, such dollar deductible will apply to that other loss or damage and only the hourly deductible will apply to your loss of Business Income.
- 4. No deductible applies to Extra Expense.

**E. LOSS CONDITIONS**

The following conditions apply in addition to the Common Policy Conditions – Deluxe, the Loss Condition – Duties in the Event of Loss in the Deluxe Property Coverage Form and the Additional Conditions in the Deluxe Property Coverage Form:

## 1. Appraisal

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser.

The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

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

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

## 2. Duties in the Event of Loss – Additional Duty

The following duty applies in addition to the duties specified in the Loss Condition – Duties in the Event of Loss in the Deluxe Property Coverage Form:

If you intend to continue your business, you must resume all or part of your "operations" as quickly as possible.

## 3. Loss Determination

- a. The amount of Business Income loss will be determined based on:

- (1) The Net Income of the business before the direct physical loss or damage occurred;
- (2) The likely Net Income of the business if no physical loss or damage occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business as a result of 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 be-

fore 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 reasonable and necessary 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) All reasonable and necessary expenses that reduce the Extra Expense loss that otherwise would have been incurred.

## c. Resumption of Operations

We will reduce the amount of your:

- (1) Business Income loss, other than Extra Expense, to the extent you can resume your "operations" in whole or in part, by using damaged or undamaged property (including merchandise or "stock") at the described premises or elsewhere and, with respect to the Business Income From Dependent Property Additional Coverage, by using any other available source of materials or outlet for your products.
- (2) Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.

- d. If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.

**4. Loss Payment**

We will pay for covered loss within 30 days after we receive the sworn proof of loss, if:

- a. You have complied with all of the terms of this Coverage Part; and
- b. (1) We have reached agreement with you on the amount of loss; or  
(2) An appraisal award has been made.

**F. OPTIONAL COVERAGES**

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

**1. Maximum Period of Indemnity**

The most we will pay for the total loss of Business Income, including the Extended Business Income Additional Coverage, and Extra Expense is the lesser of:

- a. The amount of loss sustained and expenses incurred during the 120 days immediately following the beginning of the "period of restoration"; or
- b. The Limit of Insurance shown in the Declarations.

**2. Monthly Limit of Indemnity**

The most we will pay for loss of Business Income, including the Extended Business Income Additional Coverage, in each period of 30 consecutive days after the beginning of the "period of restoration" is:

- a. The Limit of Insurance, multiplied by
- b. The fraction shown in the Declarations for this Optional Coverage.

**EXAMPLE:**

When: The Limit of Insurance is: \$120,000

The fraction shown in the Declarations for this Optional Coverage is: 1/4

The most we will pay for loss in each period of 30 consecutive days is:

$$\$120,000 \times 1/4 = \$30,000$$

If in this example, the actual amount of loss is:

Days 1 – 30	\$40,000
Days 31 – 60	\$20,000
Days 61 – 90	<u>\$30,000</u>
	\$90,000

We will pay:

Days 1 – 30	\$30,000
Days 31 – 60	\$20,000
Days 61 – 90	<u>\$30,000</u>
	\$80,000

The remaining \$10,000 is not covered.

**3. Ordinary Payroll Exclusion or Limitation**

a. When the Declarations shows:

- (1) Ordinary Payroll is excluded, the Business Income coverage provided for continuing normal operating expenses incurred does not include Ordinary Payroll;
- (2) Ordinary payroll is limited to a specified number of days, the Business Income coverage provided for continuing normal operating expenses incurred only includes Ordinary Payroll for the specified number of days. The number of days may be used in two separate periods during the "period of restoration".

b. Ordinary payroll expenses mean payroll expenses for all your employees except:

- (1) Officers;
- (2) Executives;
- (3) Department managers;
- (4) Employees under contract; and
- (5) Additional Exemptions, shown by endorsement as:
  - (a) Job Classifications; or
  - (b) Employees.

c. Ordinary payroll expenses include:

- (1) Payroll;
- (2) Employee benefits, if directly related to payroll;
- (3) FICA payments you pay;
- (4) Union dues you pay; and
- (5) Worker's compensation premiums.

**G. DEFINITIONS**

1. **"Dependent Property"** means property operated by others you directly depend on to:

a. Deliver materials or services to you, or to others for your account (Contributing Locations). But any property which delivers the following services is not a Contributing Location with respect to such services:

(1) Water supply services;

(2) Power supply services; or

(3) Communication services, including services relating to internet access or access to any electronic, cellular or satellite 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).

2. **"Finished Stock"** means "stock" you have manufactured.

"Finished Stock" also includes whiskey and alcoholic products being aged.

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

3. **"Operations"** means:

a. Your business activities occurring at the described premises even if such activities would not have produced income during the "period of restoration", such as research and development activities; and

b. The tenantability of the described premises, if coverage for Business Income including "Rental Value" or "Rental Value" only applies.

4. **"Period of Restoration"**

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

(1) (a) For Business Income coverage, begins once the number of hours of the applicable Business Income hour deductible, if any, expires following the time of direct physical loss or damage; and

(b) For Extra Expense coverage begins immediately after the time of direct physical loss or damage;

caused by or resulting from a Covered Cause of Loss at the described premises; and

(2) Ends on the earlier of:

(a) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or

(b) The date when business is resumed at a new permanent location.

b. "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, except as provided in the Ordinance or Law-Increased Period of Restoration Additional Coverage; 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 "fungus", wet rot or dry rot, except as provided in the Fungus, Wet Rot or Dry Rot - Amended Period of Restoration Additional Coverage; or

(3) 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" except as provided in the Pollutant Clean Up and Removal Coverage Extension.

c. "Period of restoration" does not include any increased period required to attain a pre-loss level of "green" building certification from a "Green Authority". But this does not apply to any increase in the "period of restoration" otherwise insured under the Green Buildings Alternatives – Increased Period of Restoration Additional Coverage.

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

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

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****DELUXE PROPERTY COVERAGE PART AMENDATORY ENDORSEMENT****CRIME ADDITIONAL COVERAGES**

This endorsement modifies insurance provided under the following:

## DELUXE PROPERTY COVERAGE FORM

- A.** The following Crime Additional Coverages are added to Section **A.3., Additional Coverages**. The limits applicable to these Crime Additional Coverages are additional insurance. Under Section **A.2., Property and Costs Not Covered**, provision **a.** does not apply to these Crime Additional Coverages:
- 1. Employee Theft**
    - a.** We will pay for loss of or damage to "money", "securities" and other personal property not otherwise excluded, that you own, lease or hold for others, resulting directly from theft committed by an "employee", to your deprivation, whether the "employee" is identified or not and whether the "employee" is acting alone or in collusion with other persons.
    - b.** Under this Crime Additional Coverage, all loss caused by, or involving, one or more "employees", whether the result of a single act or series of acts, will be considered one occurrence.
    - c.** This Crime Additional Coverage applies only if you provide us with a detailed, sworn proof of loss within 120 days after you discover a loss or situation that may result in loss to which this Crime Additional Coverage applies.
    - d.** The most we will pay for loss in any one occurrence under this Crime Additional Coverage is the Limit of Insurance shown in the Schedule of this endorsement for Employee Theft.
  - 2. Forgery or Alteration**
    - a.** We will pay for loss resulting directly from "forgery" or alteration of, on or in any checks, drafts, promissory notes, or similar written promises, orders or directions to pay a sum certain in "money" that are:
      - (1)** Made or drawn by or drawn upon you;
      - (2)** Made or drawn by one acting as your agent;
    - or that are purported to have been so made or drawn.
  - b.** Under this Crime Additional Coverage, all loss caused by any person or in which that person is involved, whether the loss involves one or more instruments, will be considered one occurrence.
  - c.** This Crime Additional Coverage applies only if you provide us with a detailed, sworn proof of loss within 120 days after you discover a loss or situation that may result in loss to which this Crime Additional Coverage applies.
  - d.** The most we will pay for loss in any one occurrence under this Crime Additional Coverage is the Limit of Insurance shown in the Schedule of this endorsement for Forgery or Alteration.
  - e.** If you are sued for refusing to pay any instrument covered in paragraph **2.a.** above, 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 we will pay for such legal expenses is in addition to the Limit of Insurance applicable to this Crime Additional Coverage. The Deductible applicable to this Crime Additional Coverage does not apply to these legal expenses.

**3. Theft, Disappearance and Destruction**

- a.** We will pay for loss of "money" and "securities" that you own or hold for others:
  - (1)** At the described premises or the premises of a bank or savings institution; or
  - (2) (a)** At any other location; or
  - (b)** In transit;



in your care and custody, in the care and custody of your partners or "employees", or in the care and custody of an armored motor vehicle company;

resulting directly from theft, disappearance or destruction.

- b.** Under this Crime Additional Coverage, all loss caused by an act or series of related acts involving one or more persons, or by an act or event or series of related acts or events not involving any person, will be considered a single occurrence.
- c.** This Crime Additional Coverage applies only if you provide us with a detailed, sworn proof of loss within 120 days after you discover a loss or situation that may result in loss to which this Crime Additional Coverage applies.
- d.** The most we will pay in any one occurrence under this Crime Additional Coverage for loss of "money" and "securities":
  - (1)** At the described premises or the premises of a bank or savings institution is the Limit of Insurance shown in the Schedule of this endorsement for Theft, Disappearance and Destruction – Inside Premises;
  - (2)** At any other location, or in transit, is the Limit of Insurance shown in the Schedule of this endorsement for Theft, Disappearance and Destruction – Outside Premises.
- e.** The insurance provided under this Crime Additional Coverage for "money" and "securities" in the care and custody of an armored motor vehicle company applies only to the amount of loss that 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.

#### **4. Money Orders and Counterfeit Paper Currency**

- a.** We will pay for loss resulting directly from your acceptance in good faith of the following in exchange for merchandise, "money" or services:

- (1)** Money orders, including counterfeit money orders, of any post office, express company or bank that are not paid upon presentation; and

- (2)** Counterfeit paper currency that is acquired during the regular course of business.

- b.** Under this Crime Additional Coverage, all loss caused by an act or series of related acts involving one or more persons, or by an act or event or series of related acts or events not involving any person, will be considered a single occurrence.
- c.** This Crime Additional Coverage applies only if you provide us with a detailed, sworn proof of loss within 120 days after you discover a loss or situation that may result in loss to which this Crime Additional Coverage applies.
- d.** The most we will pay for loss in any one occurrence under this Crime Additional Coverage is the applicable Limit of Insurance shown in the Schedule of this endorsement for Money Orders and Counterfeit Paper Currency.

**B.** The following exclusions apply to the Crime Additional Coverages provided in Section **A.** of this endorsement. Except as provided in exclusion **1.a.** below, none of the exclusions in Section **C.** or limitations in Section **D.** of the Deluxe Property Coverage Form apply to the Crime Additional Coverages.

- 1.** We will not pay under any of the Crime Additional Coverages for:
  - a.** Loss caused by or resulting from any of the following to the extent these causes of loss are otherwise excluded under the Exclusions in Section **C.** of the Deluxe Property Coverage Form:
    - (1)** Certain Computer-Related Losses;
    - (2)** Governmental Action;
    - (3)** Nuclear Hazard; and
    - (4)** War and Military Action.
  - b.** Loss caused by or resulting from any dishonest or criminal act by you or any of your partners, whether acting alone or in collusion with others.
  - c.** Loss caused by or resulting from any dishonest or criminal act by any of your "employees", directors, trustees or authorized representatives:

- (1) Whether acting alone or in collusion with others; or
  - (2) While performing services for you or otherwise;  
except as provided under the Employee Theft Crime Additional Coverage.
  - d. Indirect loss including any loss resulting from:
    - (1) Your inability to realize income that you would have realized had there been no loss of, or loss from damage to, the property;
    - (2) Payment of damages of any type for which you are legally liable. But we will pay for compensatory damages arising directly from a loss covered under the Crime Additional Coverages; or
    - (3) Payment of costs, fees or other expenses you incur in establishing either the existence or amount of loss under the Crime Additional Coverages.
  - e. Legal expenses, except as provided under the Forgery or Alteration Crime Additional Coverage.
2. We will not pay under the Employee Theft Crime Additional Coverage for:
- a. Loss caused by any "employee" of yours, or predecessor in interest of yours, for whom similar prior insurance has been cancelled and not reinstated since the last such cancellation.
  - b. Loss, or that part of any loss, the proof of which as to its existence or amount is dependent upon an inventory computation or 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.
  - c. Loss resulting directly or indirectly from trading, whether in your name or in a genuine or fictitious account.
  - d. Loss resulting from the fraudulent or dishonest signing, issuing, cancelling or failing to cancel, a warehouse receipt or any papers connected with it.
3. We will not pay under the Theft, Disappearance and Destruction Crime Additional Coverage for:
- a. Loss caused by or resulting from accounting or mathematical errors or omissions.
  - b. Loss caused by or resulting from the giving or surrendering of the property in any exchange or purchase.
  - c. Loss of or damage to property after the property has been transferred or surrendered to a person or place outside the described premises or the premises of a banking or savings institution:
    - (1) On the basis of unauthorized instructions; or
    - (2) As a result of a threat to do bodily harm to any person or damage to any property.
- But this exclusion does not apply to loss of "money" or "securities" outside of the described premises or the premises of a banking or savings institution in your care and custody or the care and custody of your partners or "employees" if:
- (i) You had no knowledge of any threat at the time the conveyance began; or
  - (ii) You had knowledge of a threat at the time the conveyance began, but the loss was not related to the threat.
- d. Loss caused by you or anyone acting on your express or implied authority voluntarily parting with possession of or title to the property.
  - e. Loss of "money" contained in any "money" operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.
- C. Section **F. DEDUCTIBLE** is amended by the addition of the following:
- We will not pay for loss in any one occurrence under the Crime Additional Coverages until the amount of loss exceeds the applicable Deductible shown in the Declarations, the Schedule of this endorsement or elsewhere in this Coverage Part. We will then pay the amount of loss in excess of the Deductible, up to the applicable Limit of Insurance.

**D.** In addition to the conditions that apply to the Deluxe Property Coverage Form:

**1.** The following conditions apply to the Crime Additional Coverages provided in Section **A.** of this endorsement:

**a. Cancellation as to any Employee**

The insurance provided under the Crime Additional Coverages is cancelled as to any "employee":

**(1)** Immediately upon discovery by:

**(a)** You; or

**(b)** Any of your partners, members, managers, officers, directors or trustees not in collusion with the "employee";

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 or delivered to the first Named Insured. That date will be at least 30 days after the date of mailing or delivery. We will mail or deliver our notice to the first Named Insured at the last mailing known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.

**b. Amended Duties in the Event of Loss or Damage Condition**

Under the Duties in the Event of Loss or Damage Condition in Section **G.3.** of the Deluxe Property Coverage Form, the duty to notify the police if a law has been broken does not apply to the Employee Theft or the Forgery or Alteration Crime Additional Coverages.

**c. Employee Benefit Plans**

The following provisions apply with respect to any "employee benefit plan" shown in the Schedule of this endorsement as included as Insureds under the Employee Theft Crime Additional Coverage (hereinafter referred to as Plan):

**(1)** 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 the Employee Theft Crime Additional Coverage 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.

**(2)** With respect to losses sustained or discovered by any such Plan, paragraph **1.a.** of the Employee Theft Crime Additional Coverage in Section **A.** of this endorsement is replaced by the following:

We will pay for loss of or damage to "money", "securities" and other personal property not otherwise excluded, that you own, lease or hold for others, resulting directly from fraudulent or dishonest acts committed by an "employee", whether the "employee" is identified or not and whether the "employee" is acting alone or in collusion with other persons.

**(3)** If the first Named Insured is an entity other than a Plan, any payment we make to that Insured for loss sustained by any Plan will be held by that Insured for the use and benefit of the Plans sustaining the loss.

**(4)** 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 "money" and "securities" or other property of two or more Plans;

that arises out of one occurrence, is to be shared by each Plan sustaining loss in the proportion that the Limit of Insurance required for each Plan bears to the total of those limits.

**(5)** The Deductible applicable to the Employee Theft Crime Additional Coverage does not apply to loss sustained by any Plan.

**d. Extended Period to Discover Loss**

We will pay for loss that you sustain prior to the date this insurance terminates or is cancelled which is discovered by you no later than one year from the date of that termination or cancellation. However, this extended period to discover loss terminates immediately upon the effective date of any other insurance obtained by you replacing in whole or in part the insurance

afforded hereunder, whether or not such other insurance provides coverage for loss sustained prior to its effective date.

**e. Amended Legal Action Against Us Condition**

The Legal Action Against Us Additional Condition in Section **H.4.** of the Deluxe Property Coverage Form is amended as follows:

The time period during which a legal action involving loss under the Crime Additional Coverages may be brought against us will not begin until the date on which the loss is discovered. In addition, no one may bring a legal action against us involving loss under the Crime Additional Coverages until 90 days after you have filed proof of loss with us.

**f. Loss Sustained During Prior Insurance**

(1) If you, or any predecessor in interest, sustained loss during the period of any prior crime coverage insurance that you or the predecessor in interest could have recovered under that insurance, except that the time within which to discover loss had expired, we will pay for it under the applicable Crime Additional Coverage provided in Section **A.** of this endorsement, provided:

- (a) The Crime Additional Coverage became effective at the time of cancellation or termination of the prior insurance; and
- (b) The loss would have been covered under the Crime Additional Coverage had it been in effect when the acts or events causing the loss were committed or occurred.

(2) The insurance under this condition is part of, not in addition to, the Limits of Insurance applying to the Crime Additional Coverages and is limited to the lesser of the amount recoverable under:

- (a) The applicable Crime Additional Coverage as of its effective date; or
- (b) The prior crime coverage insurance had it remained in effect.

**g. Amended Policy Period, Coverage Territory Condition**

The following is added to the Policy Period, Coverage Territory Additional Condition in Section **H.9.** of the Deluxe Property Coverage Form:

Subject to the above Loss Sustained During Prior Insurance Condition, we will pay for loss under the Crime Additional Coverages that you sustain through acts committed or events occurring:

- (1) During the policy period and discovered by you:
  - (a) During the policy period; or
  - (b) During the period of time provided in the Extended Period To Discover Loss Condition above;
- and
- (2) Within the Coverage Territory. However:
  - (a) Under the Employee Theft Crime Additional Coverage, we will pay for loss caused by any "employee" while temporarily outside of the Coverage Territory for a period of not more than 90 days.
  - (b) Under the Forgery or Alteration Crime Additional Coverage, the Coverage Territory is extended to include anywhere in the world.

**h. Loss Covered Under a Crime Additional Coverage and Prior Crime Insurance Issued by the Company or any Affiliate**

If any loss is covered:

- (1) Partly by a Crime Additional Coverage provided in Section **A.** of this endorsement; and
- (2) Partly by any prior cancelled or terminated crime insurance that we or any affiliate had issued to you or any predecessor in interest;

the most we will pay is the larger of the amount recoverable under the Crime Additional Coverage or the prior insurance.

**i. Non-Cumulation of Limit of Insurance**

Regardless of the number of years the Crime Additional Coverages remain in force or the number of premiums paid, no

Limit of Insurance cumulates from year to year or period to period.

**j. Amended Other Insurance Condition**

With respect only to the Crime Additional Coverages, the Other Insurance Additional Condition in Section **H.8.** of the Deluxe Property Coverage Form is replaced by the following:

The Crime Additional Coverages do not apply to loss recoverable or recovered under other insurance or indemnity. However, if the limit of the other insurance or indemnity is insufficient to cover the entire amount of the loss, this insurance provided under the applicable Crime Additional Coverage will apply to that part of the loss, other than that falling within any deductible amount, not recoverable or recovered under the other insurance or indemnity. However, this insurance will not apply to the amount of loss that is more than the Limit of Insurance that applies to that Crime Additional Coverage.

**k. Amended Transfer of Rights of Recovery Against Others To Us Condition**

The Transfer of Rights of Recovery Against Others to Us Additional Condition in Section **H.10.** of the Deluxe Property Coverage Form applies to the Crime Additional Coverages except you may not, at any time, waive your rights to recover damages from another party for any loss you sustained and for which we have paid or settled under the Crime Additional Coverages.

**l. Amended Valuation Condition**

The following is added to the Valuation Loss Condition in Section **G.6.** of the Deluxe Property Coverage Form:

In the event of loss, we will determine the value of:

- (1) "Money" at its face value. We may, at our option, pay for loss of "money" issued by any country other than the United States of America:
  - (a) At face value in the "money" issued by that country; or
  - (b) In the United States of America dollar equivalent determined by the rate of exchange on the day the loss was discovered.

(2) "Securities" at their value at the close of business on the day the loss was discovered. We may, at our option:

- (a) Pay the value of such "securities" or replace them in kind, in which event you must assign to us all of your rights, title and interest in and to those "securities"; or
- (b) 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) Value of the "securities" at the close of business on the day the loss was discovered; or
  - (ii) Limit of Insurance.

**m. Sole Benefit**

The insurance provided under the Crime Additional Coverages is for your sole 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.

2. The following additional conditions apply to the Forgery or Alteration Crime Additional Coverage:

**a. Electronic and Mechanical Signatures**

We will treat signatures that are produced or reproduced electronically, mechanically or by other means the same as handwritten signatures.

**b. 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.

E. The following additional definitions apply to the Crime Additional Coverages provided under this endorsement:

1. "Employee" means:

a. "Employee" means:

(1) Any natural person:

- (a) While in your service and for 30 days after termination of service; and
  - (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 (1) above, 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 described 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 (2) above;
- (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" insured under this insurance; or
  - (b) Your director or trustee while that person is handling funds or other property of any "employee benefit plan" insured under this insurance.
- (5) Any natural person who is a former "employee", director, partner, mem-

- ber, manager, representative or trustee retained as a consultant while performing services for you; or
- (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.
- b. But "employee" does not mean any:
- (1) Agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
  - (2) Manager, director or trustee except while performing acts coming within the scope of the usual duties of an "employee".
2. **"Employee benefit plan"** means any welfare or pension benefit plan shown in the SCHEDULE of this endorsement that is subject to the Employee Retirement Income Security Act of 1974 (ERISA).
3. **"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.
4. **"Money"** means:
- a. Currency, coins and bank notes in current use; and
  - b. Travelers' checks, register checks and money orders held for sale to the public.
5. **"Securities"** means negotiable and non-negotiable instruments or contracts representing either "Money" or other property and includes tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use, and evidences of debt issued in connection with credit or charge cards which are not of your own issue. But Securities does not include "Money" or lottery tickets held for sale.

**SCHEDULE**

<b>Crime Additional Coverage</b>	<b>Limit of Insurance</b>	<b>Deductible*</b>
Employee Theft:	\$ 10,000 unless a higher limit is shown: \$	\$
Forgery or Alteration:	\$ 25,000 unless a higher limit is shown: \$	\$
Theft, Disappearance and Destruction:		
• Inside Premises:	\$ 20,000 unless a higher limit is shown: \$	\$
• Outside Premises:	\$ 10,000 unless a higher limit is shown: \$	\$
Money Orders and Counterfeit Paper Currency:	\$ 25,000 unless a higher limit is shown: \$	\$

- If no deductible is shown, the Deductible that otherwise applies to loss under the Deluxe Property Coverage Form shall apply.

**Employee Benefit Plans, if any, included as Insureds under the Employee Theft Crime Additional Coverage:**

POLICY NUMBER: P-630-4C211340-TIL-19

DELUXE PROPERTY  
ISSUE DATE: 10-19-19**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****DELUXE PROPERTY COVERAGE PART AMENDATORY ENDORSEMENT.****ORDINANCE OR LAW – COMMUNICABLE DISEASE  
CONTAMINATION COVERAGE**

This endorsement modifies insurance provided under the following:

DELUXE PROPERTY COVERAGE FORM

**A.** The following coverage is added to the Additional Coverages in Section **A.3.:****Ordinance or Law – Communicable Disease Contamination Coverage**

**1.** If, during the policy period, Covered Property at the described premises is contaminated by a "communicable disease", we will pay for the actual and necessary additional costs you incur to clean up and remove the "communicable disease" from the contaminated Covered Property due to the enforcement of any ordinance or law, in effect at the time of the contamination, that requires you to clean up and remove the "communicable disease" from the Covered Property.

**2.** Insurance under this Additional Coverage applies only to clean up and removal costs incurred in complying with the minimum standards of the ordinance or law. Insurance under this Additional Coverage does not apply to:

**a.** Costs incurred due to any ordinance or law that:

**(1)** You were required to comply with before the loss, even if the property was undamaged; and

**(2)** You failed to comply with;

**b.** Costs incurred due to the enforcement of any ordinance or law, which requires any insured or others to test for, monitor, or assess the existence, concentration or effects of any "communicable disease". But this does not apply to testing which is performed in the course of the cleanup and removal of the "communicable disease" from the Covered Property, if the ordinance or law, as enforced, requires such testing;

**c.** Costs incurred to repair (other than clean up) or replace property contaminated by a "communicable disease"; or

**d.** Any loss of income, extra expense or any other indirect loss caused by or resulting from the contamination of Covered Property by a "communicable disease".

**3.** The most we will pay under this Additional Coverage for the total of all clean up and removal costs arising out of all occurrences of "communicable disease" contamination during each separate 12 month period of this policy (beginning with the effective date of this policy) is the Ordinance or Law – Communicable Disease Contamination Aggregate Limit of Insurance shown in the Schedule of this endorsement. This limit is included in, and does not increase, the applicable Covered Property Limit of Insurance.

**4.** This Additional Coverage does not apply if the contamination of Covered Property by a "communicable disease" is itself caused by or results from a cause of loss that is excluded under the policy. However, this provision does not apply to "communicable disease" contamination that is excluded under the following exclusions in the Deluxe Property Coverage Form:

**a.** Exclusion **C.1.j.**, Virus or Bacteria; and

**b.** Exclusion **C.2.j.**, Pollution;

if such contamination is not otherwise excluded under this Coverage Part.

**5.** The Ordinance or Law exclusion in section **C.1.h.** of the Deluxe Property Coverage Form does not apply to the insurance specifically provided under this Additional Coverage.

**6.** The following Definition is added as respects coverage provided by this endorsement:



"Communicable Disease" means a viral or bacterial micro-organism that induces or is

capable of inducing physical illness or disease.

**SCHEDULE**

Ordinance or Law – Communicable Disease Contamination:

**Aggregate Limit of Insurance:**

**\$ 500,000**

POLICY NUMBER: P-630-4C211340-TIL-19

DELUXE PROPERTY  
ISSUE DATE: 10-19-19

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

**DELUXE PROPERTY COVERAGE PART AMENDATORY ENDORSEMENT**

**UNINTENTIONAL ERRORS OR OMISSIONS –  
FAILURE TO REPORT LOCATIONS**

This endorsement modifies insurance provided under the following:

**DELUXE PROPERTY COVERAGE PART**

The following Additional Coverage is added:

**Unintentional Errors or Omissions – Failure to Report Locations**

1. Your failure through unintentional error or unintentional omission to:
  - a. Include any location owned or occupied by you as of the effective date of this Coverage Part; or
  - b. Report any location newly acquired prior to the expiration of the period of automatic coverage and during the policy period of this Coverage Part;

will not preclude coverage from applying at such location, but only to the extent that this Coverage Part would have provided coverage had the unintentional error or unintentional omission not been made.

2. The most we will pay under this Additional Coverage for all loss arising out of any one occurrence is the Limit of Insurance shown in the Schedule of this endorsement. This limit is included in, and does not increase, the Limit(s) of Insurance that would have applied under this Coverage Part had no unintentional error or unintentional omission occurred.
3. When the Causes of Loss – Broad Form Flood endorsement, Causes of Loss – Earthquake endorsement or Causes of Loss – Earthquake Sprinkler Leakage endorsement is attached to this Coverage Part, such causes of loss shall not be considered Covered Causes of Loss under this Additional Coverage.
4. You must notify us as soon as the unintentional error or unintentional omission is discovered and we may charge you additional premium based upon the reported information.

**SCHEDULE**

Limit of Insurance: \$1,000,000

POLICY NUMBER: P-630-4C211340-TIL-19

DELUXE PROPERTY  
ISSUE DATE: 10-19-19

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

**DELUXE PROPERTY COVERAGE PART AMENDATORY ENDORSEMENT**

**CONDEMNATION OF MEDICAL PROPERTY**

This endorsement modifies insurance provided under the following:

DELUXE PROPERTY COVERAGE FORM

The following Additional Coverage is added:

**Condemnation of Medical Property**

1. We will pay for your loss of visibly undamaged "Medical Property" at the described premises which you incur when, as the direct result of a Covered Cause of Loss at such described premises, a governmental agency with authority to regulate the "Medical Property" located at such described premises, after suitable testing:

- a. Condemns and prohibits you from using the "Medical Property"; or
- b. Mandates that such "Medical Property" be withdrawn from the market, based upon the determination that the use or consumption of such "Medical Property" will or could cause bodily injury or property damage.

None of the condemned "Medical Property" shall be sold or otherwise disposed of except in accordance with the requirements of the governmental mandate. Any proceeds from the sale or other disposition of the condemned property that are:

- a. In excess of the reasonable expenses incurred by you in such sale or disposition; and
- b. Received after loss payment;

must be returned to us to the extent of our payment for the loss.

2. The most we will pay under this Additional Coverage for the total of all loss arising out of all Covered Causes of Loss that occur in any one policy year is the Condemnation of Medical Property Aggregate Limit of Insurance shown in the Schedule of this endorsement. This limit is included in, and does not increase, the Limit of Insurance that would have applied to the "Medical Property" had the "Medical Property" been physically damaged by a Covered Cause of Loss.

3. As used in this endorsement, "Medical Property" means:

- a. Drugs;
- b. Biological materials, meaning blood, blood products and vaccines;
- c. Medical devices, meaning any durable physical item used in medical treatment; and
- d. Medical Supplies meaning disposable supplies which may be used once or more than once but are time limited in use and function;

provided such property is Covered Property at the described premises where the loss occurs.

**SCHEDULE**

Condemnation of Medical Property Aggregate Limit of Insurance: \$ 100,000

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

**DELUXE PROPERTY COVERAGE PART AMENDATORY ENDORSEMENT**

**CAUSES OF LOSS – EARTHQUAKE**

This endorsement modifies insurance provided under the following:

**DELUXE PROPERTY COVERAGE PART**

**A. APPLICATION OF THIS ENDORSEMENT**

1. This endorsement applies at the premises location(s) of the building number(s) for which an Earthquake Limit of Insurance is shown in the Declarations.

This endorsement also applies to:

- a. The Newly Constructed or Acquired Property Coverage Extension in the Deluxe Property Coverage Form;
  - b. The Newly Acquired Locations Coverage Extension in the Business Income (And Extra Expense), Business Income (Without Extra Expense) and Extra Expense Coverage Forms;
  - c. The Civil Authority Additional Coverage in the Business Income (And Extra Expense), Business Income (Without Extra Expense) and Extra Expense Coverage Forms, but only with respect to such loss of Business Income and/or Extra Expense incurred at the premises of the building number(s) for which an Earthquake Limit of Insurance is shown in the Declarations; and
  - d. Utility Services – Direct Damage or Utility Services – Time Element coverage provided under this Coverage Part, if any, but only with respect to such direct damage loss or loss of Business Income and/or Extra Expense that is incurred at the premises of the building number(s) for which an Earthquake Limit of Insurance is shown in the Declarations.
2. Except as provided in **A.1.a.** through **A.1.d.** above, this endorsement does not apply to loss or damage caused by or resulting from Earthquake or Volcanic Eruption that occurs away from the premises location(s) of the building number(s) for which an Earthquake Limit of Insurance is shown in the Declarations.

3. This endorsement does not apply to, or modify, any limits or deductibles that apply to:
  - a. The insurance otherwise provided under this Coverage Part for loss or damage by fire or explosion that results from earth movement other than volcanic eruption, explosion or effusion, or for loss or damage by fire, building glass breakage or volcanic action that results from a volcanic eruption, explosion or effusion; or
  - b. Any other insurance provided under this Coverage Part for loss or damage to which the Earth Movement exclusion does not apply.

**B. COVERED CAUSES OF LOSS**

The following are added to the Covered Causes of Loss and the "specified causes of loss":

1. Earthquake, meaning a shaking or trembling of the earth's crust, caused by underground volcanic or tectonic forces or by breaking or shifting of rock beneath the surface of the ground from natural causes.
2. Volcanic Eruption, meaning the eruption, explosion or effusion of a volcano.

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

**C. EXCLUSIONS, LIMITATIONS AND RELATED PROVISIONS**

1. The Earth Movement exclusion contained in Section **C.1.b.** of the Deluxe Property Coverage Form does not apply to the coverage provided under this endorsement. The remaining Exclusions and the Limitations that apply to this Coverage Part apply to the coverage provided under this endorsement. For example, loss caused directly or indirectly by a cause of loss excluded under provisions **(1)(a)** through **(1)(e)** of the Water exclusion

contained in Section **C.1.I.** of the Deluxe Property Coverage Form, such as flood or tidal wave, is excluded even if the flood or tidal wave is attributable to an Earthquake or Volcanic Eruption.

2. The following additional exclusions apply to the coverage provided under this endorsement:

- a. We will not pay for loss or damage caused by or resulting from any earthquake or volcanic eruption that begins before the inception of this insurance.
- b. We will not pay for the cost of restoring or stabilizing land or for loss resulting from the time required to restore or stabilize land.

3. The following additional Limitation applies to the coverage provided by this endorsement:

We will not pay for loss of or damage to exterior masonry veneer (except stucco) on wood frame walls caused by or resulting from Earthquake or Volcanic Eruption. The value of such veneer will not be included in the value of Covered Property or the amount of loss when applying the Deductible applicable to this endorsement.

This limitation does not apply:

- a. If less than 10% of the total outside wall area is faced with masonry veneer (excluding stucco); or
- b. At any premises location(s) of the building number(s) to which the Cause of Loss – Earthquake Masonry Veneer Coverage endorsement applies, as indicated in the Schedule of that endorsement when it is attached to this policy.

#### **D. UNDERGROUND WIRES, PIPES, FLUES AND DRAINS EXTENSION**

Under the Deluxe Property Coverage Form, when Building coverage applies at premises locations to which this endorsement applies, the insurance provided by this endorsement is extended to also apply to direct physical loss or damage by Earthquake or Volcanic Eruption to underground wires, pipes, flues and drains at such premises locations. The exclusion of underground wires, pipes, flues and drains under Section **A.2.**, Property and Costs Not Covered, of the Deluxe Property Coverage Form does not apply to this Extension.

This Extension does not increase the Earthquake Limit of Insurance that applies at such premises locations.

#### **E. LIMITS OF INSURANCE**

1. The most we will pay under this endorsement for the total of all loss or damage caused by or resulting from all earthquakes and volcanic eruptions in a 12 month period of this policy (beginning with the effective date of this policy) is the single highest Annual Aggregate Limit of Insurance shown in the Declarations for Earthquake.

Subject to the single highest Annual Aggregate Limit of Insurance shown in the Declarations for Earthquake:

- a. Any individual Annual Aggregate Limit of Insurance shown in the Declarations for Earthquake is the most we will pay under this endorsement for the total of all loss or damage caused by or resulting from all earthquakes and volcanic eruptions in a 12 month period of this policy (beginning with the effective date of this policy) to which such individual Annual Aggregate Limit of Insurance shown in the Declarations for Earthquake applies.

- b. If more than one Annual Aggregate Limit of Insurance applies to loss or damage under this endorsement in any one occurrence, each limit will be applied separately, but the most we will pay under this endorsement for all loss or damage in that occurrence is the single highest involved Annual Aggregate Limit of Insurance applicable to that occurrence.

- c. The most we will pay under this endorsement for the total of:

- (1) All loss or damage under the Newly Constructed or Acquired Property Coverage Extension in the Deluxe Property Coverage Form; and

- (2) All loss under the Newly Acquired Locations Coverage Extension in the Business Income (And Extra Expense), Business Income (Without Extra Expense) and Extra Expense Coverage Forms;

caused by or resulting from all earthquakes and volcanic eruptions in a 12 month period of this policy (beginning with the effective date of this policy) is \$100,000.

The Annual Aggregate Limit(s) of Insurance applicable to loss or damage under this endorsement is included in and does not increase the Limits of Insurance provided under

this Coverage Part. For example, subject to the applicable Earthquake Annual Aggregate Limit(s) of Insurance, our payment for loss under any Utility Services – Direct Damage or Utility Services –Time Element coverage that is attributable to an Earthquake or Volcanic Eruption to which this endorsement applies will not exceed the Limit of Insurance that applies to that Utility Services – Direct Damage or Utility Services –Time Element coverage.

2. The Annual Aggregate Limit(s) of Insurance applicable to loss or damage under this endorsement applies regardless of the items or types of property, number or types of coverages (including business income and extra expense coverages) or number of premises locations involved. Amounts payable under this endorsement for any item or type of property, or under any coverage, Additional Coverage or Coverage Extension, are subject to the Annual Aggregate Limit(s) of Insurance applicable to loss or damage under this endorsement, and will not:
  - a. Exceed the applicable property and coverage Limits of Insurance provided under this Coverage Part; nor
  - b. Increase the applicable Annual Aggregate Limit(s) of Insurance under this endorsement.

This includes payments under any Debris Removal or Ordinance or Law coverage for loss that is attributable to earthquake or volcanic eruption at premises locations to which this endorsement applies, and covered as a result of the insurance provided under this endorsement.

## F. DEDUCTIBLES

The following Deductible provisions apply to the insurance provided by this endorsement. The Deductible(s) applicable to loss or damage under this endorsement apply separately to each occurrence and apply in addition to any other Deductibles in this Coverage Part that apply to loss or damage in the same occurrence.

### 1. Percent Deductible

If a percentage (%) is shown in the Declarations as applicable, the following applies:

- a. This Deductible is calculated separately for, and applies separately to each of the following items of insurance:
  - (1) Each building, if two or more buildings sustain loss or damage;

- (2) The building and to personal property in that building, if both sustain loss or damage;
- (3) Personal property at each building, if personal property at two or more buildings sustains loss or damage;
- (4) Personal property in the open; and
- (5) Any other property insured under this Coverage Part.

- b. In determining the amount, if any, that we will pay for loss or damage, we will deduct an amount equal to 1%, 2%, 5% or 10% (as shown in the Declarations) of:
  - (1) The Limit of Insurance applicable to each item of insurance that has sustained loss or damage when specific insurance applies to that item of insurance, meaning a separate Limit of Insurance applies only to that item of insurance (for example, each building or personal property in a building); or
  - (2) The value of each item of insurance that has sustained loss or damage when blanket insurance applies to that item of insurance, meaning a single Limit of Insurance applies to two or more items of insurance (for example, a building and personal property in that building or two buildings). The value to be used is the value shown in the most recent Statement of Values on file with us. If there is no value on file with us for the item of insurance property, we will use the value(s) of the property at the time of loss.

For newly constructed or acquired property to which the Newly Constructed or Acquired Property Coverage Extension in the Deluxe Property Coverage Form applies, we will deduct an amount equal to a percentage of the value of each item of insurance at the time of loss. The applicable percentage used will be the highest percentage that applies at the premises location of any building number for which a percentage Deductible is shown in the Declarations.

- c. When the percentage Deductible shown in the Declarations is subject to:
  - (1) A minimum dollar amount in any one occurrence; or

- (2) A minimum dollar amount in any one occurrence at each premises location;

the percentage Deductible will be calculated as described in **1.a.** and **1.b.** above, but the minimum amount we will deduct in any one occurrence, or in any one occurrence at each premises location (as indicated in the Declarations), is the minimum dollar amount shown in the Declarations.

- d. We will not pay for loss or damage in any one occurrence under this endorsement until the amount of loss or damage exceeds the applicable Deductible. We will then pay the amount of loss or damage in excess of the Deductible, up to the applicable Limits of Insurance.

## 2. Dollar Deductible

When:

- a. A dollar amount in any one occurrence; or  
b. A dollar amount in any one occurrence at each premises location;

is shown as the applicable Deductible in the Declarations, we will not pay for loss or damage in any one occurrence, or in any one occurrence at each premises location (as indicated in the Declarations), until the amount of loss or damage exceeds the applicable Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible, up to the applicable Limits of Insurance.

When no percentage Deductible applies to the insurance provided under this endorsement, the Deductible applicable to newly acquired or constructed property to which the Newly Constructed or Acquired Property Coverage Extension in the Deluxe Property Coverage Form applies is the highest dollar Deductible shown in the Declarations for the premises location of any building number to which this endorsement applies.

## 3. Hour Deductible

When an hour Deductible is stated in the Declarations, the following is applicable to your Business Income Coverage to which this endorsement applies:

We will not pay for loss of Business Income in any one occurrence that you incur during the period of time that:

- a. Begins at the time of direct physical loss or damage by Earthquake or Volcanic Eruption that triggers the Business Income coverage; and  
b. Continues for the consecutive number of hours shown in the Declarations as the applicable Business Income hour Deductible.

The Deductible applicable to Business Income coverage at locations to which the Newly Acquired Locations Coverage Extension in the Business Income (and Extra Expense) Coverage Form or Business Income (Without Extra Expense) Coverage Form applies, is the highest hour Deductible shown in the Declarations for any premises location to which this endorsement applies.

4. No Deductible applies to Extra Expense.  
5. When a Deductible is shown in the Declarations for Utility Service – Direct Damage coverage or Utility Services – Time Element coverage, that Deductible will apply to the insurance provided under the Utility Service – Direct Damage coverage or Utility Services – Time Element coverage for loss that is attributable to an Earthquake or Volcanic Eruption to which this endorsement applies. Otherwise, the above Deductible provisions apply to loss under the Utility Service – Direct Damage coverage or Utility Services – Time Element coverage that is attributable to an Earthquake or Volcanic Eruption to which this endorsement applies.

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

**DELUXE PROPERTY COVERAGE PART AMENDATORY ENDORSEMENT**

**CAUSES OF LOSS – BROAD FORM FLOOD**

This endorsement modifies insurance provided under the following:

**DELUXE PROPERTY COVERAGE PART**

**A. APPLICATION OF THIS ENDORSEMENT**

1. When a Broad Form Flood Limit of Insurance is shown in the Declarations for a building number, this endorsement applies at the premises location(s) of such building number(s) for which a Broad Form Flood Limit of Insurance is shown.
2. When a Broad Form Flood Limit of Insurance is shown in the Declarations for property at the described premises within a Flood Zone or a non-participating or suspended community (as classified under the National Flood Insurance Program), this endorsement applies at the premises described in the Declarations for coverage under this Coverage Part with respect to covered loss resulting from "flood" to buildings, structures or personal property in the open within such Flood Zone(s) or community(ies) for which a Broad Form Flood Limit of Insurance is shown, or to personal property at the described premises in or on the buildings or structures within such Flood Zone(s) or community(ies).

If, at the time of loss, a building, a structure or personal property in the open is located within more than one Flood Zone or community, coverage under this endorsement for loss or damage to, or loss that is a consequence of loss or damage to that building, structure or personal property in the open will be subject to the insurance, Annual Aggregate Limit of Insurance and deductible, if any, that would apply under this policy if that building, structure or personal property in the open was wholly located within the most hazardous of the Flood Zones or communities, as stated below, in which it is located. The most hazardous Flood Zone or community that is determined to apply to a building or structure will also apply with respect to the coverage under this endorsement for loss or damage to, or loss or damage that is a consequence of loss

or damage to any personal property in or on such building or structure.

The following listing of Flood Zones and communities, as classified under the National Flood Insurance Program, is in order of the most hazardous to least hazardous:

- a. Flood Zone V and Flood Zones prefixed V;
  - b. Flood Zone A and Flood Zones prefixed A;
  - c. Flood Zone D;
  - d. Non-Participating or Suspended communities;
  - e. Flood Zone B, Flood Zone X (shaded) and Flood Zone X-500;
  - f. Flood Zone C and Flood Zone X (unshaded).
3. This endorsement also applies to:
    - a. The Newly Constructed or Acquired Property Coverage Extension in the Deluxe Property Coverage Form, regardless of the Flood Zone or community in which the property is located;
    - b. The Newly Acquired Locations Coverage Extension in the Business Income (And Extra Expense), Business Income (Without Extra Expense) and Extra Expense Coverage Forms, regardless of the Flood Zone or community in which the newly acquired locations are located;
    - c. The Civil Authority Additional Coverage in the Business Income (And Extra Expense), Business Income (Without Extra Expense) and Extra Expense Coverage Forms, regardless of the Flood Zone or community in which the "flood" loss that triggers the coverage occurs, but only with respect to such loss of Business Income and/or Extra Expense that you in-



cur at the premises described in **A.1.** or **A.2.** above; and

- d.** Utility Services – Direct Damage or Utility Services – Time Element coverage provided under this Coverage Part, if any, regardless of the Flood Zone or community in which the "flood" loss to the utility services property that triggers the coverage occurs, but only with respect to such direct damage loss or loss of Business Income and/or Extra Expense that is incurred at the premises described in **A.1.** or **A.2.** above.

- 4.** Except as provided in **A.3.a.** through **A.3.d.** above, this endorsement does not apply to loss or damage caused by or resulting from "flood" that occurs away from the premises described in **A.1.** and **A.2.** above.

- 5.** This endorsement does not apply to, or modify, any limits or deductibles that apply to:

- a.** The insurance otherwise provided under this Coverage Part for loss or damage by:

**(1)** Fire, explosion or sprinkler leakage that results from "flood"; or

**(2)** Water or sewage from drains within a building if the backup or overflow is not otherwise directly or indirectly caused by Water that is excluded in provisions **(a)**, **(b)**, **(d)** or **(e)** of the Water exclusion in Section **C.1.I.** of the Deluxe Property Coverage Form;

or

- b.** Any other insurance provided under this Coverage Part for loss or damage to which the Water exclusion in Section **C.1.I.** of the Deluxe Property Coverage Form does not apply.

## **B. COVERED CAUSES OF LOSS**

"Flood" is added to the Covered Causes of Loss and the "specified causes of loss".

All "flood" loss that occurs:

- 1.** During a continuous or protracted event, such as a period of continued rising or overflow of any river(s), stream(s) or any body(ies) of water and the subsidence of same within the banks of such river(s), stream(s) or body(ies) of water; or
- 2.** Due to any tidal wave or series of tidal waves that occur within any 168 hour period;

will constitute a single "flood" occurrence. If "flood" loss commences prior to the expiration

date of this policy and the "flood" occurrence extends beyond the expiration date of this policy, the expiration date of this policy will not reduce the "flood" occurrence period.

## **C. FLOOD DEFINED**

The following is added to the Section **J.**, Definitions, in the Deluxe Property Coverage Form:

"Flood" means the following, all whether naturally occurring or due to man-made or other artificial causes, and includes waterborne material carried or otherwise moved by any of the water referred to in paragraphs **1.**, **3.** and **4.** below and material carried or otherwise moved by mudslide or mudflow:

- 1.** Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether driven by wind (including storm surge) or not;
- 2.** Mudslide or mudflow;
- 3.** Water or sewage that backs up, overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment (other than the backup or overflow of water or sewage from drains within a building to which the exception in provision **(c)** of the Water exclusion in Section **C.1.I.** of the Deluxe Property Coverage Form applies); and
- 4.** Water under the ground surface pressing on, or flowing or seeping through:
  - a.** Foundations, walls, floors or paved surfaces;
  - b.** Basements, whether paved or not; or
  - c.** Doors, windows or other openings.

## **D. EXCLUSIONS, LIMITATIONS AND RELATED PROVISIONS**

- 1.** Under the Exclusions contained in Section **C.1.** of the Deluxe Property Coverage Form:

- a.** Exclusion **b.**, Earth Movement, does not apply to the insurance otherwise provided under this endorsement for loss or damage caused by or resulting from:

**(1)** Mudslide or mudflow that is caused by or precipitated by the accumulation or runoff of water on or below the surface of the ground; or

**(2)** "Flood" that is attributable to an Earth Movement, such as tsunami, but this exception does not apply to loss or damage caused by or resulting from

any excluded Earth Movement that results from such "Flood".

- b.** Exclusion **I.**, Water, does not apply to the coverage provided under this endorsement.

The remaining Exclusions and the Limitations that apply to this Coverage Part apply to the coverage provided under this endorsement.

- 2.** The following additional exclusions apply to the coverage provided under this endorsement:
- a.** We will not pay for loss or damage caused by or resulting from any "flood" occurrence that begins before the inception of this insurance.
- b.** We will not pay for the cost of restoring, recovering or de-watering land or for loss resulting from the time required to restore, recover or de-water land.
- 3.** The following LIMITATION is added as respects coverage provided by this endorsement:

#### **EXCESS OF LOSS LIMITATION**

- a.** Unless otherwise indicated in the Declarations or by endorsement, this Excess of Loss Limitation applies to the coverage provided for direct physical loss of or damage to:

- (1)** Buildings, structures and personal property in the open which are:

- (a)** Covered Property at the premises described in Section **A.1.** and **A.2.** of this endorsement, or newly constructed or acquired property to which the Newly Constructed or Acquired Property Coverage Extension in the Deluxe Property Coverage Form applies; and

- (b)** Located, in whole or in part, in Flood Zone A, Flood Zones prefixed A, Flood Zone V or Flood Zones prefixed V, as classified under the National Flood Insurance Program at the time of loss;

and

- (2)** Personal property which is Covered Property located in or on a building or structure described in **(1)** above, and personal property to which the Newly

Constructed or Acquired Property Coverage Extension in the Deluxe Property Coverage Form applies.

- b.** If the property is eligible to be written under a National Flood Insurance Program (NFIP) policy, we will pay only for the amount of loss in excess of the maximum limit that can be insured under that NFIP policy. This provision applies whether or not the maximum NFIP limit was obtained or maintained, and whether or not you can collect on the NFIP policy.

- c.** The Deductible provisions applicable to the coverage provided under this endorsement apply in addition to any applicable Excess of Loss Limitation.

#### **E. UNDERGROUND WIRES, PIPES, FLUES AND DRAINS EXTENSION**

Under the Deluxe Property Coverage Form, when Building coverage applies at premises locations to which this endorsement applies, the insurance provided by this endorsement is extended to also apply to direct physical loss or damage by "flood" to underground wires, pipes, flues and drains at such premises locations. The exclusion of underground wires, pipes, flues and drains under Section **A.2.**, Property and Costs Not Covered, of the Deluxe Property Coverage Form does not apply to this Extension.

This Extension does not increase the Broad Form Flood Limit of Insurance that applies at such premises locations.

#### **F. LIMITS OF INSURANCE**

- 1.** The most we will pay under this endorsement for the total of all loss or damage caused by or resulting from "flood" in a 12 month period of this policy (beginning with the effective date of this policy) is the single highest Annual Aggregate Limit of Insurance shown in the Declarations for Broad Form Flood.

Subject to the single highest Annual Aggregate Limit of Insurance shown in the Declarations for Broad Form Flood:

- a.** Any individual Annual Aggregate Limit of Insurance shown in the Declarations for Broad Form Flood is the most we will pay under this endorsement for the total of all loss or damage caused by or resulting from all "flood" occurrences in a 12 month period of this policy (beginning with the effective date of this policy) to which such individual Annual Aggregate Limit of In-

insurance shown in the Declarations for Broad Form Flood applies.

- b.** If more than one Annual Aggregate Limit of Insurance applies to loss or damage under this endorsement in any one occurrence, each limit will be applied separately, but the most we will pay under this endorsement for all loss or damage in that occurrence is the single highest involved Annual Aggregate Limit of Insurance applicable to that occurrence.

- c.** The most we will pay under this endorsement for the total of:

**(1)** All loss or damage under the Newly Constructed or Acquired Property Coverage Extension in the Deluxe Property Coverage Form; and

**(2)** All loss under the Newly Acquired Locations Coverage Extension in the Business Income (And Extra Expense), Business Income (Without Extra Expense) and Extra Expense Coverage Forms;

caused by or resulting from all "flood" occurrences in a 12 month period of this policy (beginning with the effective date of this policy) is \$100,000.

The Annual Aggregate Limit(s) of Insurance applicable to loss or damage under this endorsement is included in and does not increase the Limits of Insurance provided under this Coverage Part. For example, subject to the applicable Broad Form Flood Annual Aggregate Limit(s) of Insurance, our payment for loss under any Utility Services – Direct Damage or Utility Services –Time Element coverage that is attributable to "flood" to which this endorsement applies will not exceed the Limit of Insurance that applies to that Utility Services – Direct Damage or Utility Services – Time Element coverage.

- 2.** The Annual Aggregate Limit(s) of Insurance applicable to loss or damage under this endorsement applies regardless of the items or types of property, number or types of coverages (including business income and extra expense coverages) or number of premises locations involved. Amounts payable under this endorsement for any item or type of property, or under any coverage, Additional Coverage or Coverage Extension, are subject to the Annual Aggregate Limit(s) of Insurance

applicable to loss or damage under this endorsement, and will not:

- a.** Exceed the applicable property and coverage Limits of Insurance provided under this Coverage Part; nor
- b.** Increase the applicable Annual Aggregate Limit(s) of Insurance under this endorsement.

This includes payments under any Debris Removal or Ordinance or Law coverage for loss that is attributable to "flood" at premises locations to which this endorsement applies, and covered as a result of the insurance provided under this endorsement.

## **G. DEDUCTIBLES**

The following Deductible provisions apply to the insurance provided by this endorsement. The Deductible(s) applicable to loss or damage under this endorsement apply separately to each occurrence and apply in addition to any other Deductibles in this Coverage Part that apply to loss or damage in the same occurrence.

### **1. Dollar Deductible**

When:

- a.** A dollar amount in any one occurrence; or
- b.** A dollar amount in any one occurrence at each premises location,

is shown as the applicable deductible in the Declarations, we will not pay for loss or damage in any one occurrence, or in any one occurrence at each premises location (as indicated in the Declarations), until the amount of loss or damage exceeds the applicable Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible, up to the applicable Limits of Insurance.

The Deductible applicable to newly acquired or constructed property to which the Newly Constructed or Acquired Property Coverage Extension in the Deluxe Property Coverage Form applies is the highest dollar deductible shown in the Declarations for any premises location to which this endorsement applies.

### **2. Hour Deductible**

When an hour Deductible is stated in the Declarations, the following is applicable to your Business Income Coverage to which this endorsement applies:

We will not pay for loss of Business Income in any one occurrence that you incur during the period of time that:

- a.** Begins at the time of direct physical loss or damage by "flood" that triggers the Business Income coverage; and
- b.** Continues for the consecutive number of hours shown in the Declarations as the applicable Business Income hour deductible.

The Deductible applicable to Business Income coverage at locations to which the Newly Acquired Locations Coverage Extension in the Business Income (and Extra Expense) Coverage Form or Business Income (Without Extra Expense) Coverage Form applies, is the highest hour Deductible shown in

the Declarations for any premises location to which this endorsement applies.

- 3.** No Deductible applies to Extra Expense.
- 4.** When a Deductible is shown in the Declarations for Utility Service – Direct Damage coverage or Utility Services – Time Element coverage, that Deductible will apply to the insurance provided under the Utility Service – Direct Damage coverage or Utility Services – Time Element coverage for loss that is attributable to "flood" to which this endorsement applies. Otherwise, the above Deductible provisions apply to loss under the Utility Service – Direct Damage coverage or Utility Services – Time Element coverage that is attributable to "flood" to which this endorsement applies.

POLICY NUMBER: P-630-4C211340-TIL-19

ISSUE DATE: 10-19-19

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****DELUXE PROPERTY COVERAGE PART AMENDATORY ENDORSEMENT****CAUSES OF LOSS – EQUIPMENT BREAKDOWN**

This endorsement modifies insurance provided under the Deluxe Property Coverage Part.

**A. ADDITIONAL COVERED CAUSE OF LOSS – EQUIPMENT BREAKDOWN**

Covered Causes of Loss and "specified causes of loss" are extended to include Equipment Breakdown, meaning a Breakdown to Covered Equipment as defined and limited in this endorsement.

**1. Breakdown****a. Breakdown means:**

- (1) Failure of pressure or vacuum equipment;
- (2) Mechanical failure, including rupture or bursting caused by centrifugal force; or
- (3) Electrical failure, including arcing;

that causes physical damage to Covered Equipment and necessitates its repair or replacement.

**b. Breakdown does not mean or include:**

- (1) Malfunction including but not limited to adjustment, alignment, calibration, cleaning or modification;
- (2) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
- (3) Damage to any vacuum tube, gas tube, or brush;
- (4) Damage to any structure or foundation supporting the Covered Equipment or any of its parts;
- (5) The functioning of any safety or protective device; or
- (6) The cracking of any part on an internal combustion gas turbine exposed to the products of combustion.

**c. If an initial Equipment Breakdown causes other Equipment Breakdowns, all will be considered one Equipment Breakdown. All Equipment Breakdowns that manifest themselves at the same time and are the**

direct result of the same cause will also be considered one Equipment Breakdown.

**2. Covered Equipment****a. Covered Equipment means equipment of a type listed in provision 2.b. below that is:****(1) At any of the following locations:**

- (a) At or within 1,000 feet of the described premises; or
- (b) At any of the following locations, but only to the extent that coverage for direct physical loss or damage to Covered Property at such locations or for Business Income and/or Extra Expense resulting from direct physical loss or damage to property at such locations is otherwise specifically insured and limited under this Coverage Part:
  - (i) Newly acquired or constructed property locations, or within 1,000 feet of such locations;
  - (ii) Undescribed premises; or
  - (iii) "Dependent property" locations;

and

**(2) (a) Owned or leased by you or operated under your control; or**

- (b) Owned or leased by, or operated under the control of others who own, lease or operate the undescribed premises or "dependent property" locations where the insurance provided under this Coverage Part applies;

and

- (3) Not otherwise excluded under provision **2.c.** below.
- b.** Covered Equipment includes the following types of equipment:
- (1) Equipment designed and built to operate under internal pressure or vacuum other than weight of contents;
  - (2) Electrical or mechanical equipment that is used in the generation, transmission or utilization of energy; and
  - (3) Fiber optic cable.
- c.** Covered Equipment does not mean or include any:
- (1) Electronic data processing, recording or storage media such as films, tapes, discs, drums or cells;
  - (2) Part of pressure or vacuum equipment that is not under internal pressure of its contents or internal vacuum;
  - (3) Insulating or refractory material;
  - (4) Non-metallic pressure or vacuum equipment, unless it is constructed and used in accordance with the American Society of Mechanical Engineers (A.S.M.E.) code or a Code that has been accepted by the National Board of Boiler and Pressure Vessel Inspectors;
  - (5) Catalyst;
  - (6) Pressure vessels and piping that are buried below ground and require the excavation of materials to inspect, remove, repair or replace;
  - (7) Structure, foundation, cabinet or compartment supporting or containing the Covered Equipment or part of the Covered Equipment including penstock, draft tube or well casing;
  - (8) Vehicle, aircraft, self-propelled equipment or floating vessel, including any equipment mounted on or used solely with any vehicle, aircraft, self-propelled equipment or floating vessel;
  - (9) Dragline, power shovel, excavation or construction equipment including any equipment mounted on or used solely with any dragline, power shovel, excavation or construction equipment;
  - (10) Felt, wire, screen, mold, form, pattern, die, extrusion plate, swing hammer, grinding disc, cutting blade, non-electrical cable, chain, belt, rope, clutch plate, brake pad, non-metal part or any part or tool subject to periodic replacement;
  - (11) Astronomical telescope, cyclotron, nuclear reactor, particle accelerator, satellites and/or spacecraft (including satellite or spacecraft contents and/or their launch sites);
  - (12) Computer equipment or electronic data processing equipment unless used to control or operate production-type machinery or other equipment that is Covered Equipment;
  - (13) Equipment or any part of such equipment manufactured by you for sale; or
  - (14) Equipment while in the due course of transit.
- B. EQUIPMENT BREAKDOWN COVERAGE EXTENSIONS**
- 1. Spoilage**
- a.** Under the Deluxe Property Coverage Form, the insurance that applies to Your Business Personal Property and Personal Property of Others is extended to apply to direct physical loss or damage to such Covered Property that is:
- (1) Maintained under controlled conditions for its preservation; and
  - (2) Susceptible to loss or damage if the controlled conditions change;
- due to spoilage resulting from lack or excess of power, light, heat, steam or refrigeration that is caused solely by a Breakdown to Covered Equipment.
- Insurance under this Coverage Extension includes the reasonable expense you incur to reduce or avert the spoilage loss or damage, but only to the extent the amount of loss otherwise payable under this Coverage Extension is reduced.
- b.** The most we will pay for loss or damage under this Coverage Extension arising out of any one Equipment Breakdown is the Spoilage Limit of Insurance shown in the Schedule of this endorsement. This limit is part of and not in addition to the Limit of

Insurance that applies to the lost or damaged Covered Property.

- c. We will not pay for any loss or damage under this Coverage Extension that results from your failure to use due diligence and dispatch and all reasonable means to protect the property from spoilage damage following a Breakdown to Covered Equipment.

## 2. Utility Services Property

- a. Subject to provision **2.b.** below, Covered Equipment is extended to include equipment, wherever located within the Coverage Territory, that is:
  - (1) Owned, operated or controlled by a local public or private utility or distributor that directly generates, transmits, distributes or provides utility services to the described premises; and
  - (2) Used to supply water, communication or power services to the described premises.
- b. This Coverage Extension applies:
  - (1) Only with respect to; and
  - (2) Subject to the Limit(s) of Insurance that apply to;
 

the insurance, if any, otherwise provided under this Coverage Part for loss or damage caused by an interruption of power or other utility service supplied to the described premises caused by or resulting from a Covered Cause of Loss to the utility services equipment described in **2.a.** above.

## C. EQUIPMENT BREAKDOWN EXCLUSIONS

All of the Exclusions that apply to this Coverage Part apply to loss or damage under this endorsement, except as follows:

- 1. Under the Exclusions contained in Section **C.** of the Deluxe Property Coverage Form, the following Exclusions do not apply:
  - a. Exclusion **C.2.d.** Electrical Damage or Disturbance;
  - b. Exclusion **C.2.i.(6)** mechanical breakdown under the Other Type of Losses Exclusion; and
  - c. Exclusion **C.2.e.** Explosion.

- 2. The following additional Exclusions apply to the insurance provided by this endorsement:

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. Lack or excess of power, light, heat, steam or refrigeration. But this Exclusion does not apply to:
  - (1) Business Income coverage or Extra Expense coverage; or
  - (2) The Spoilage Coverage Extension or Utility Services Property Coverage Extension;
- b. Hydrostatic, pneumatic or gas pressure testing of any boiler, fired vessel or electrical steam generator; or
- c. Insulation breakdown testing of any type of electrical or electronic equipment.

## D. EQUIPMENT BREAKDOWN LIMITATIONS

All of the Limitations that apply to this Coverage Part apply to loss or damage under this endorsement, except as follows:

- 1. Under the Limitations contained in Section **D.** of the Deluxe Property Coverage Form, Limitations **1.a.** and **1.b.** do not apply.
- 2. The following additional Limitations apply to the insurance provided by this endorsement. These Limitations are included in, and do not increase the applicable Limit(s) of Insurance.

### a. Ammonia Contamination Limitation

The most we will pay for loss or damage to property caused by ammonia contamination that directly results from a Breakdown to Covered Equipment is the Ammonia Contamination Limit of Insurance shown in the Schedule of this endorsement.

This limitation does not apply to Business Income coverage or to Extra Expense coverage.

### b. Hazardous Substance Limitation

If as a direct result of a Breakdown to Covered Equipment, property is damaged, contaminated or polluted by a substance, other than ammonia, that is declared to be hazardous to health by a governmental agency, the Hazardous Substance Limit of Insurance shown in

the Schedule of this endorsement is the most we will pay for:

- (1) Any additional expenses you incur to clean up, repair, replace or dispose of any such property that is Covered Property under this Coverage Part; and
- (2) Any increase in loss of Business Income or Extra Expense due to the additional time required to clean up, repair, replace or dispose of the property, provided Business Income or Extra Expense loss resulting from damage to such property is otherwise insured against under this Coverage Part. Subject to the Hazardous Substance Limit of Insurance, the term "period of restoration", as used in the Business Income and/or Extra Expense insurance provided under this Coverage Part is extended to include this additional period of time.

As used in this Limitation, additional expenses and increase in loss mean expenses and loss incurred beyond the expenses and loss for which we would have been liable had no substance declared to be hazardous to health by a governmental agency been involved.

#### **E. EQUIPMENT BREAKDOWN LIMITS OF INSURANCE**

1. The insurance provided under this endorsement for loss or damage caused by or resulting from Equipment Breakdown is included in, and does not increase the Covered Property, Business Income, Extra Expense and other coverage Limits of Insurance that otherwise apply under this Coverage Part.
2. Payments under the Equipment Breakdown Coverage Extensions will not increase the applicable Limit(s) of Insurance.

#### **F. EQUIPMENT BREAKDOWN DEDUCTIBLE**

1. Unless otherwise indicated in the Schedule of this endorsement, the insurance provided under this endorsement for loss or damage caused by or resulting from Equipment Breakdown is subject to the deductibles that otherwise apply under this Coverage Part.
2. When one or more separate deductibles are indicated in the Schedule of this endorsement, each such deductible shall be applied separately to the applicable coverage for which the deductible is indicated, as follows:

##### **a. Dollar Deductible**

If a dollar deductible is shown in the Schedule, we will not pay for loss or damage until the amount of loss or damage to which the deductible applies exceeds the applicable dollar deductible. We will then pay the amount of loss or damage in excess of the dollar deductible, up to the applicable Limit of Insurance.

##### **b. Time Period Deductible**

If a time period deductible is shown in the Schedule, we will not pay for any loss to which the deductible applies that occurs during the specified time period immediately following a Breakdown to Covered Equipment.

##### **c. Average Daily Value Deductible**

If an average daily value deductible is shown in the Schedule, this deductible will be calculated as follows:

- (1) For all of the described premises where you incur Business Income or Extra Expense loss due to a Breakdown to Covered Equipment, determine the total amount of Business Income that would have been earned or incurred by you during the "period of restoration" had no Breakdown to Covered Equipment occurred.
- (2) Divide the amount determined in paragraph (1) by the number of days the business would have been open during the "period of restoration". The result is the average daily value.
- (3) Multiply the average daily value in paragraph (2) by the Multiple of Average Daily Value shown in the Schedule. We will first subtract this deductible amount from any loss we would otherwise pay. We will then pay the amount of loss or damage in excess of the deductible, up to the applicable Limit of Insurance.

##### **d. Percentage of Loss Deductible**

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



**G. EQUIPMENT BREAKDOWN ADDITIONAL CONDITION**

The following Additional Condition applies to the insurance provided under this endorsement:

**Suspension**

If any Covered Equipment is found to be in, or exposed to a dangerous condition, any of our representatives may immediately suspend the insurance provided by this endorsement for loss or damage caused by or resulting from a Breakdown to that Covered Equipment. This can be done by delivering or mailing a notice of suspension to:

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

Once suspended in this way, such insurance can only be reinstated by a written endorsement issued by us. If we suspend your insurance, you will get a pro rata refund of premium for that Covered Equipment. But the suspension will be effective even if we have not yet made or offered a refund.

**EQUIPMENT BREAKDOWN SCHEDULE**

**Limits of Insurance:**

- Spoilage: \$25,000 unless a higher amount is shown: \$ **250,000**
- Ammonia Contamination: \$25,000 unless a higher amount is shown: \$
- Hazardous Substance: \$25,000 unless a higher amount is shown: \$

**Deductible Exceptions:** Deluxe Property Coverage Part Deductibles apply to loss or damage under this endorsement, except as follows:

**DIRECT DAMAGE TO COVERED PROPERTY EXCEPT DIAGNOSTIC EQUIPMENT: \$10,000**

**DIRECT DAMAGE TO DIAGNOSTIC EQUIPMENT: \$25,000**

**DIAGNOSTIC EQUIPMENT MEANS ANY MACHINE OR APPARATUS USED SOLELY FOR RESEARCH, DIAGNOSIS, MEDICAL, SURGICAL, THERAPEUTIC, DENTAL OR PATHOLOGICAL PURPOSES.**

**BUSINESS INCOME AND EXTRA EXPENSE LOSS OR EXPENSE: 72 HOURS**

POLICY NUMBER: P-630-4C211340-TIL-19

ISSUE DATE: 10-19-19

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

**DELUXE PROPERTY COVERAGE PART AMENDATORY ENDORSEMENT**

**ADDITIONAL COVERED PROPERTY**

This endorsement modifies insurance provided under the following:

**DELUXE PROPERTY COVERAGE FORM**

The property described in the Schedule below is withdrawn from Paragraph **A.2.** Property And Costs Not Covered and added to Covered Property.

When a Limit of Insurance is shown in the Schedule below for any property described in the Schedule, that Limit of Insurance is the most we will pay for loss or

damage to that property in any one occurrence. If a Limit of Insurance is not shown in the Schedule below for any property described in the Schedule, the most we will pay for loss or damage to that property in any one occurrence is the applicable Covered Property Limit of Insurance shown in the Declarations.

**SCHEDULE**

<b>Prem. Loc. No.</b>	<b>Bldg. No.</b>	<b>Description of Property</b>	<b>Limit of Insurance</b>
1	1	TREES, SHRUBS, PLANTS & LAWN	\$ 250,000

POLICY NUMBER: P-630-4C211340-TIL-19

ISSUE DATE: 10-19-19

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

**DELUXE PROPERTY COVERAGE PART AMENDATORY ENDORSEMENT**

**RADIOACTIVE CONTAMINATION – BROAD FORM**

This endorsement modifies insurance provided under the following:

DELUXE PROPERTY COVERAGE PART

**A. SCHEDULE**

Prem/ Loc. No.	Bldg. No.	Limit of Insurance
1	1	\$ 3,000,000
1	2	INCL IN ABOVE
1	3	INCL IN ABOVE
1	4	INCL IN ABOVE
1	5	INCL IN ABOVE
1	6	INCL IN ABOVE
1	7	INCL IN ABOVE
3	9	INCL IN ABOVE
5	11	INCL IN ABOVE

**B.** This endorsement applies only with respect to the premises locations and building numbers indicated in the Schedule above.

**C.** The following is added to the Covered Causes of Loss:

1. Radioactive Contamination, meaning direct physical loss or damage caused by sudden and accidental radioactive contamination including resultant radiation damage to the described property.
2. We will not pay for loss or damage caused by or resulting from Radioactive Contamination if:
  - a. The described premises contains:
    - (1) A nuclear reactor capable of sustaining nuclear fission in a self-supporting chain reaction; or

(2) Any new or used nuclear fuel intended for or used in such a nuclear reactor.

**b.** The contamination arises from radioactive material not located at the described premises.

**D.** With respect only to the coverage specifically provided by this endorsement, the following exclusions contained in the Deluxe Property Coverage Form do not apply:

1. Exclusion **C.1.g.**, Nuclear Hazard; and
2. Exclusion **C.2.j.**, Pollution.

**E.** The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Schedule above. This limit is included in, and does not increase, the Limits of Insurance provided under this Coverage Part.

POLICY NUMBER: P-630-4C211340-TIL-19

ISSUE DATE: 10-19-19

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****DELUXE PROPERTY COVERAGE PART AMENDATORY ENDORSEMENT****LOSS PAYABLE PROVISIONS**

This endorsement modifies insurance provided under the following:

## DELUXE PROPERTY COVERAGE FORM

Nothing in this endorsement increases the applicable Limit of Insurance. We will not pay any Loss Payee more than their financial interest in the Covered Property, and we will not pay more than the applicable Limit of Insurance on the Covered Property.

Each of the following Clauses, **A**, **B**, **C** and **D**, is added to the Loss Payment Loss Condition as indicated in the Schedule below.

**A. LOSS PAYABLE CLAUSE**

For Covered Property in which both you and a Loss Payee shown in the Schedule below have an insurable interest, we will:

1. Adjust losses with you; and
2. Pay any claim for loss or damage jointly to you and the Loss Payee, as interests may appear.

**B. LENDER'S LOSS PAYABLE CLAUSE**

1. The Loss Payee shown in the Schedule below is a creditor, including a mortgageholder or trustee, whose interest in Covered Property is established by such written instruments as:

- a. Warehouse receipts;
- b. A contract for deed;
- c. Bills of lading;
- d. Financing statements; or
- e. Mortgages, deeds of trust, or security agreements.

2. For Covered Property in which both you and a Loss Payee have an insurable interest:

- a. We will pay for covered loss or damage to each Loss Payee in their order or precedence, as interest may appear.
- b. The Loss Payee has the right to receive loss payment even if the Loss Payee has started foreclosure or similar action on the Covered Property.
- c. If we deny your claim because of your acts or because you have failed to com-

ply with terms of this Coverage Part, the Loss Payee will still have the right to receive loss payment if the Loss Payee:

- (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 Loss Payee.

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

- d. If we pay the Loss Payee for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this Coverage Part:

- (1) The Loss Payee's rights will be transferred to us to the extent of the amount we pay; and
- (2) The Loss Payee's rights to recover the full amount of the Loss Payee's claim will not be impaired.

At our option, we may pay to the Loss Payee the whole principal on the debt plus any accrued interest. In this event, you will pay your remaining debt to us.

At our option, we may pay to the Loss Payee the whole principal on the debt plus any accrued interest. In this event, you will pay your remaining debt to us.

3. If we cancel this policy, we will give written notice to the Loss Payee at least:
  - a. 10 days before the effective date of cancellation if we cancel for your non-payment of premium; or

b. 30 days before the effective date of cancellation if we cancel for any other reason.

4. If we elect not to renew this policy, we will give written notice to the Loss Payee at least 10 days before the expiration date of this policy.

**C. CONTRACT OF SALE CLAUSE**

1. The Loss Payee shown in the Schedule below is a person or organization you have entered into a contract with for the sale of Covered Property.

2. For Covered Property in which both you and the Loss Payee have an insurable interest, we will:

a. Adjust losses with you; and

b. Pay any claim for loss or damage jointly to you and the Loss Payee, as interest may appear.

3. The following is added to the Other Insurance Condition:

For Covered Property that is the subject of a contract of sale, the word "you" includes the Loss Payee.

**D. BUILDING OWNER LOSS PAYABLE CLAUSE**

1. The Loss Payee shown in the Schedule below is the owner of the described building, in which you are a tenant.

2. We will adjust losses to the described building with the Loss Payee. Any loss payment made to the Loss Payee will satisfy your claims against us for the owner's property.

3. We will adjust losses to tenants' improvements and betterments with you, unless the lease provides otherwise.

**SCHEDULE**

**Premises Location Number:    Building Number:**

**Applicable Clause  
(Indicate A, B, C or D):**

**Description of Property:**

**SEE DX T8 93 03 99**

**Loss Payee Name:**

**Loss Payee Address:**

POLICY NUMBER: P-630-4C211340-TIL-19

COMMERCIAL PROPERTY  
ISSUE DATE: 10-19-19

## LOSS PAYABLE PROVISIONS SCHEDULE

**Loss Payee (Name & Address)**

THERMO FISHER FINANCIALS SERVICES,  
INC. AND ITS ASSIGNS  
81 WYMAN STREET

WALTHAM

MA 02454

<b>Prem. No.</b>	<b>Bldg. No.</b>	<b>Description of Property</b>	<b>Provisions Applicable</b>
1	1	LEASED EQUIPMENT (2) ABBOTT RUBY INSTRUMENTS W-UPS ROLLOVER \$114,606.	Loss Payable

POLICY NUMBER: P-630-4C211340-TIL-19

COMMERCIAL PROPERTY  
ISSUE DATE: 10-19-19**LOSS PAYABLE PROVISIONS SCHEDULE****Loss Payee (Name & Address)**DE LAGE LANGDEN  
VENDOR FINANCE SERVICES  
1111 OLD EAGLE SCHOOL ROAD

WAYNE

PA 19087-1453

<b>Prem. No.</b>	<b>Bldg. No.</b>	<b>Description of Property</b>	<b>Provisions Applicable</b>
1	1	BUILDING	Lenders Loss Payable
1	2	BUILDING	Lenders Loss Payable
1	3	BUILDING	Lenders Loss Payable
1	4	BUILDING	Lenders Loss Payable
1	5	BUILDING	Lenders Loss Payable
1	6	BUILDING	Lenders Loss Payable
1	7	BUILDING	Lenders Loss Payable



POLICY NUMBER: P-630-4C211340-TIL-19

COMMERCIAL PROPERTY  
ISSUE DATE: 10-19-19

## LOSS PAYABLE PROVISIONS SCHEDULE

**Loss Payee (Name & Address)**

THERMOFISHER SCIENTIFIC

168 THIRD AVENUE

WALTHAM

MA 02451

Prem. No.	Bldg. No.	Description of Property	Provisions Applicable
1	1	LEASED 2X ABBOTT RUBY ANALYZER AND 2X ABBOTT RUBY UPS \$82,520	Loss Payable

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

**DELUXE PROPERTY COVERAGE PART AMENDATORY ENDORSEMENT**

**UTILITY SERVICES – DIRECT DAMAGE**

This endorsement modifies insurance provided under the following:

DELUXE PROPERTY COVERAGE FORM

**A. Coverage**

If indicated in the Declarations, we will pay for loss of or damage to Covered Property at the described premises caused by the interruption of utility service to the described premises. The interruption of utility service must result from direct physical loss or damage by a Covered Cause of Loss to any of the Utility Supply Services Properties defined in Section **B.** below, if such property is indicated in the Declarations and is:

1. Located away from the described premises; or
2. Located at the described premises and used to supply the utility service to the described premises from a source away from the described premises.

**B. Utility Supply Services Properties**

1. **Water Supply Services Property**, meaning the following types of property supplying water to the described premises:
  - a. Pumping stations; and
  - b. Water mains.
2. **Communication Supply Services Property**, meaning the following types of 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.

Coverage does not include loss caused by or resulting from loss or damage to Overhead Transmission Lines unless *Included* or a separate Limit of Insurance is shown in the Declarations for Overhead Transmission Lines.

3. **Power Supply Services Property**, meaning the following types of property supplying elec-

tricity, steam or gas to the described premises:

- a. Utility generating plants;
- b. Switching stations;
- c. Substations;
- d. Transformers; and
- e. Transmission lines.

Coverage does not include loss caused by or resulting from loss or damage to Overhead Transmission Lines unless *Included* or a separate Limit of Insurance is shown in the Declarations for Overhead Transmission Lines.

**C. Deductible**

We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the applicable Deductible stated 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.

**D. Limits of Insurance**

The most we will pay for loss or damage in any one occurrence is the applicable Utility Services – Direct Damage Limit of Insurance stated in the Declarations.

If a separate Limit of Insurance is shown in the Declarations for Overhead Transmission Lines, that limit is the most we will pay for loss or damage in any one occurrence resulting from loss or damage to Overhead Transmission Lines to which this coverage applies. This applies even if this coverage applies to both Communication Supply Services Property and Power Supply Services Property.

The Limit(s) of Insurance applicable to this endorsement are part of, and not in addition to, the applicable Covered Property Limit(s) of Insurance.

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

**DELUXE PROPERTY COVERAGE PART AMENDATORY ENDORSEMENT**

**UTILITY SERVICES—TIME ELEMENT**

This endorsement modifies insurance provided under the following:

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

**A. Coverage**

If indicated in the Declarations, your coverage for Business Income and/or Extra Expense, as provided under the applicable Coverage Form, is extended to apply to the actual amount of such of Business Income and/or Extra Expense that you incur caused by the interruption of utility service to the described premises. The interruption of utility service must result from direct physical loss or damage by a Covered Cause of Loss to any of the Utility Services Properties defined in Section B. below, if such property is indicated in the Declarations and is:

1. Located away from the described premises; or
2. Located at the described premises and used to supply the utility service to the described premises from a source away from the described premises.

**B. Utility Service Properties**

1. **Water Supply Services Property**, meaning the following types of property supplying water to the described premises:
  - a. Pumping stations; and
  - b. Water mains.
2. **Communication Supply Services Property**, meaning the following types of 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.

Coverage does not include loss caused by or resulting from loss or damage to Overhead Transmission Lines unless *Included* or a separate Limit of Insurance is shown in the

Declarations for Overhead Transmission Lines.

3. **Power Supply Services Property**, meaning the following types of property supplying electricity, steam or gas to the described premises:

- a. Utility generating plants;
- b. Switching stations;
- c. Substations;
- d. Transformers; and
- e. Transmission lines.

Coverage does not include loss caused by or resulting from loss or damage to Overhead Transmission Lines unless *Included* or a separate Limit of Insurance is shown in the Declarations for Overhead Transmission Lines.

**C. Deductible**

The hour deductible that applies to Utility Services – Time Element is indicated in the Declarations. We will only pay for loss of Business Income you sustain after the number of consecutive hours indicated in the Declarations following the direct physical loss or damage to the Utility Services Property to which this endorsement applies. This deductible does not apply to Extra Expense.

**D. Limits of Insurance**

The most we will pay for loss or damage in any one occurrence is the applicable Utility Services – Time Element Limit of Insurance stated in the Declarations. This limit is part of, and not in addition to, the Limit(s) of Insurance that apply to Business Income and/or Extra Expense at the described premises.

If a separate Limit of Insurance is shown in the Declarations for Overhead Transmission Lines, that is the most we will pay for loss or damage in any one occurrence resulting from loss or dam-

age to Overhead Transmission Lines to which this coverage applies. This applies, even if this coverage applies to both Communication Supply Services Property and Power Supply Services Prop-

erty. This limit is part of, and not in addition to, the Utility Services – Time Element Limit of Insurance stated in the Declarations.

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

## **FEDERAL TERRORISM RISK INSURANCE ACT DISCLOSURE**

This endorsement modifies insurance provided under the following:

### DELUXE PROPERTY COVERAGE PART

The federal Terrorism Risk Insurance Act of 2002 as amended ("TRIA") establishes a program under which the Federal Government may partially reimburse "Insured Losses" (as defined in TRIA) caused by "Acts Of Terrorism" (as defined in TRIA). "Act Of Terrorism" is defined in Section 102(1) of TRIA to mean any act that is 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 certain air carriers or vessels 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.

The Federal Government's share of compensation for such Insured Losses is established by TRIA and is a percentage of the amount of such Insured Losses in excess of each Insurer's "Insurer Deductible" (as defined in TRIA), subject to the "Program Trigger" (as defined in TRIA). Through 2020, that percentage is established by TRIA as follows:

85% with respect to such Insured Losses occurring in calendar year 2015.

84% with respect to such Insured Losses occurring in calendar year 2016.

83% with respect to such Insured Losses occurring in calendar year 2017.

82% with respect to such Insured Losses occurring in calendar year 2018.

81% with respect to such Insured Losses occurring in calendar year 2019.

80% with respect to such Insured Losses occurring in calendar year 2020.

In no event, however, will the Federal Government be required to pay any portion of the amount of such Insured Losses occurring in a calendar year that in the aggregate exceeds \$100 billion, nor will any Insurer be required to pay any portion of such amount provided that such Insurer has met its Insurer Deductible. Therefore, if such Insured Losses occurring in a calendar year exceed \$100 billion in the aggregate, the amount of any payments by the Federal Government and any coverage provided by this policy for losses caused by Acts Of Terrorism may be reduced.

The charge for such Insured Losses under this Coverage Part is included in the Coverage Part premium. The charge for such Insured Losses that has been included for this Coverage Part is indicated below, and does not include any charge for the portion of such Insured Losses covered by the Federal Government under TRIA:

- 7% of your total Deluxe Property Coverage Part premium if your primary location is in a Designated City (as listed below).
- 3% of your total Deluxe Property Coverage Part premium if your primary location is not in a Designated City (as listed below).

DELUXE PROPERTY

**Designated Cities are:**

Albuquerque, NM	El Paso, TX	Miami, FL	San Diego, CA
Atlanta, GA	Fort Worth, TX	Milwaukee, WI	San Antonio, TX
Austin, TX	Fresno, CA	Minneapolis, MN	San Francisco, CA
Baltimore, MD	Honolulu, HI	Nashville-Davidson, TN	San Jose, CA
Boston, MA	Houston, TX	New Orleans, LA	Seattle, WA
Charlotte, NC	Indianapolis, IN	New York, NY	St. Louis, MO
Chicago, IL	Jacksonville, FL	Oakland, CA	Tucson, AZ
Cleveland, OH	Kansas City, MO	Oklahoma City, OK	Tulsa, OK
Colorado Springs, CO	Las Vegas, NV	Omaha, NE	Virginia Beach, VA
Columbus, OH	Long Beach, CA	Philadelphia, PA	Washington, DC
Dallas, TX	Los Angeles, CA	Phoenix, AZ	Wichita, KS
Denver, CO	Memphis, TN	Portland, OR	
Detroit, MI	Mesa, AZ	Sacramento, CA	

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

**DELUXE PROPERTY COVERAGE PART AMENDATORY ENDORSEMENT**

**EMERGENCY EVACUATION EXPENSE**

This endorsement modifies insurance provided under the following:

DELUXE PROPERTY COVERAGE FORM

The following coverage is added to Section **A.3., Additional Coverages:**

**Emergency Evacuation Expense**

1. We will pay for the reasonable expenses that you incur in the emergency evacuation of your "patients" or "residents" from, and return of your "patients" and "residents" to, a building at the described premises when the evacuation is undertaken to protect your "patients" or "residents" from imminent danger of physical harm or loss of life as a result of actual or impending direct physical loss or damage to property at or away from the described premises by a Covered Cause of Loss.
2. All of the exclusions applicable to the Deluxe Property Coverage Form apply to this Additional Coverage. In addition, we will not pay for any expenses under this Additional Coverage arising out of:

- a. A strike, bomb threat, false fire alarm or planned evacuation drill; or
- b. The evacuation of any "patients" or "residents" due to their individual medical emergencies or conditions.
3. The most we will pay under this Additional Coverage for all expenses arising out of any one occurrence is the Emergency Evacuation Expense Limit of Insurance indicated in the Schedule of this endorsement.
4. As used in this Additional Coverage:
  - a. "Patients" means non - "resident" recipients of the care services provided by your care facility.
  - b. "Residents" means persons residing in and receiving the care services provided by your care facility.

**SCHEDULE**

Emergency Evacuation Expense Limit of Insurance:

\$ 25,000 unless a higher amount is shown: \$ **500,000**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.****DELUXE PROPERTY COVERAGE PART AMENDATORY ENDORSEMENT****PERSONAL PROPERTY OF PATIENTS  
AND RESIDENTS**

This endorsement modifies insurance provided under the following:

**DELUXE PROPERTY COVERAGE FORM**

**A. The following is added to Section A.2., Property and Costs Not Covered:**

Covered Property does not include personal property of your "patients" and "residents":

1. At or within 1,000 feet of the described premises, except as provided in the Personal Property of Patients and Residents Additional Coverage; or
2. Away from the described premises, except as otherwise provided under the Deluxe Property Coverage Form for Personal Property of Others in your care, custody or control at undscribed premises or in transit.

**B. The following coverage is added to Section A.3., Additional Coverages:**

**Personal Property of Patients and Residents**

1. We will pay for direct physical loss of or damage to personal property of your "patients" and "residents" while such property is at or within 1,000 feet of the described premises.
2. This Additional Coverage applies only to loss or damage that is caused by or results from a Covered Cause of Loss. This Additional Coverage does not apply to loss or damage to

any property that is excluded under Section A.2., Property and Costs Not Covered.

**3. The most we will pay in any one occurrence under this Additional Coverage for:**

- a. Loss or damage to the personal property of any one "patient" or "resident" is the per "patient" or "resident" Limit of Insurance shown in the Schedule of this endorsement for Personal Property of Patients and Residents;
- b. All loss or damage, regardless of the number of "patients" or "residents" involved, is the all loss in any one occurrence Limit of Insurance shown in the Schedule of this endorsement for Personal Property of Patients and Residents.

**C. The following are added to Section J. DEFINITIONS:**

1. "Patients" means non-"resident" recipients of the care services provided by your care facility.
2. "Residents" means persons residing in and receiving the care services provided by your care facility.

**SCHEDULE**

Personal Property of Patients and Residents Limit of Insurance:

- Per "patient" or "resident": \$ 2,500 unless a higher amount is shown: \$
- All loss in any one occurrence: \$ 25,000 unless a higher amount is shown: \$



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

**DELUXE PROPERTY COVERAGE PART AMENDATORY ENDORSEMENT**

**ELECTRONIC VANDALISM LIMITATION ENDORSEMENT**

This endorsement modifies insurance provided under the following:

DELUXE PROPERTY COVERAGE PART

When included in this policy, this endorsement also modifies insurance provided under the COMMERCIAL INLAND MARINE COVERAGE PART.

**SCHEDULE**

**Electronic Vandalism Limit of Insurance,**

aggregate in any 12-month period of this policy: **\$ 10,000** unless a higher limit is shown: **\$ 100,000**

This endorsement limits the insurance provided under this policy for direct physical loss or damage caused by or resulting from "electronic vandalism" and for loss that is a consequence of such direct physical loss or damage.

**A. LIMITATION – ELECTRONIC VANDALISM**

The following LIMITATION is added:

The most we will pay for all loss or damage caused directly or indirectly by or resulting from "electronic vandalism" in any one policy year, commencing with the inception date of this endorsement, is the Electronic Vandalism Limit of Insurance shown in the Schedule of this endorsement. This limit:

1. Applies regardless of the number of locations, items or types of property or coverages or Coverage Forms involved; and
2. Is part of, and does not increase the Limits of Insurance provided under this policy.

But if "electronic vandalism" results in a "specified cause of loss", other than vandalism, this limitation will not apply to the resulting loss or damage caused by that "specified cause of loss".

**B. ELECTRONIC VANDALISM MINIMUM DEDUCTIBLE**

The following deductible provision is added and applies to all coverages, including Extra Expense:

The DEDUCTIBLE provisions of this policy continue to apply. But in no event will the total of all applicable deductible amounts applied in any one occurrence of "electronic vandalism" be less than \$1,000.

**C. ELECTRONIC VANDALISM DEFINED**

"**Electronic Vandalism**", as used in this endorsement means:

1. Willful or malicious destruction of computer programs, content, instructions or other electronic or digital data stored within computer systems.
2. Unauthorized computer code or programming that:
  - a. Deletes, distorts, corrupts or manipulates computer programs, content, instructions or other electronic or digital data, or otherwise results in damage to computers or computer systems or networks to which it is introduced;
  - b. Replicates itself, impairing the performance of computers or computer systems or networks; or
  - c. Gains remote control access to data and programming within computers or computer systems or networks to which it is introduced, for uses other than those intended for authorized users of the computers or computer systems or networks.

**COMMERCIAL INLAND MARINE**



**COMMERCIAL INLAND MARINE**



One Tower Square, Hartford, Connecticut 06183

**COMMERCIAL INLAND MARINE  
COVERAGE PART DECLARATIONS**

**POLICY NUMBER: P-630-4C211340-TIL-19  
ISSUE DATE: 10-19-19**

**INSURING COMPANY:**

**TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA**

**DECLARATIONS PERIOD:** From 10-10-19 to 10-10-20 12:01 A.M. Standard Time at your mailing address shown in the Common Policy Declarations.

The Commercial Inland Marine Coverage Part consists of these Declarations, the Commercial Inland Marine Conditions Form and the Coverage Forms shown below.

**MEDICAL AND SCIENTIFIC EQUIPMENT COVERAGE FORM**

**I. Coverage and Limits of Insurance  
Description of Covered Property**

**Limit of Insurance**

<b>1.</b>	<b>CT/PET SCAN</b>	<b>\$ 500,000</b>
<b>2.</b>		\$
<b>3.</b>		\$
<b>4.</b>		\$
<b>5.</b>		\$

**II. Optional Coverages**

The following Optional Coverages apply when indicated by an 'X':

**Equipment Breakdown**

**Business Income and Extra Expense**  
**Description Of Covered Property**

**Limit of Insurance**

1.		\$
2.		\$
3.		\$
4.		\$
5.		\$

**III. Deductible and Waiting Period**

Deductible: \$ 5,000  
 Equipment Breakdown Deductible: \$  
 Business Income Waiting Period: Hours

**IV. Coinsurance** applies when indicated by an 'X' below:

Coinsurance Percentage:  
 100%    90%    80%    No Coinsurance Applies

**V. Premium**

Annual Premium: \$ 1,000  
 Minimum Earned Premium: \$ NONE

NUMBERS OF FORMS, SCHEDULES AND ENDORSEMENTS FORMING PART OF THIS COVERAGE PART ARE ATTACHED AS A SEPARATE LISTING.

**TABLE OF CONTENTS**  
**COMMERCIAL INLAND MARINE COVERAGE PART**

The following indicates the contents of the principal forms which may be attached to your policy.

It contains no reference to the Declarations or Endorsements which also may be attached.

Beginning on Page

**COMMERCIAL INLAND MARINE CONDITIONS**

Loss Conditions

A. Abandonment _____	1
B. Appraisal _____	1
C. Duties In The Event Of Loss _____	1
D. Insurance Under Two Or More Coverages _____	1
E. Loss Payment _____	1
F. Other Insurance _____	2
G. Pair, Sets Or Parts _____	2
H. Recovered Property _____	2
I. Reinstatement Of Limit After Loss _____	2
J. Transfer Of Rights Of Recovery Against Others To Us _____	2

General Conditions

A. Concealment, Misrepresentation Or Fraud _____	2
B. Control Of Property _____	2
C. Legal Action Against Us _____	2
D. No Benefit To Bailee _____	3
E. Policy Period, Coverage Territory _____	3
F. Valuation _____	3

**INLAND MARINE COVERAGE FORM(S)**

A. Coverage

1. Covered Property _____	
2. Property Not Covered _____	Page
3. Covered Causes Of Loss _____	
4. Additional Coverage – Collapse (If Applicable) _____	No.
5. Coverage Extensions (If Any) _____	

Varies

B. Exclusions _____	
C. Limits of Insurance _____	By
D. Deductible _____	
E. Additional Conditions _____	Form
F. Definitions _____	

## COMMERCIAL INLAND MARINE CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and applicable Additional Conditions in Commercial Inland Marine Coverage Forms:

### LOSS CONDITIONS

#### A. Abandonment

There can be no abandonment of any property to us.

#### B. Appraisal

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

1. Pay its chosen appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

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

#### C. Duties In The Event Of Loss

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

1. Notify the police if a law may have been broken.
2. Give us prompt notice of the loss or damage. Include a description of the property involved.
3. As soon as possible, give us a description of how, when and where the loss or damage occurred.
4. Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible,

set the damaged property aside and in the best possible order for examination.

5. You will not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.
6. As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

7. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.
8. Send us a signed, sworn proof of loss containing the information we request to settle the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
9. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or suit.
10. Cooperate with us in the investigation or settlement of the claim.

#### D. Insurance Under Two Or More Coverages

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

#### E. Loss Payment

1. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
2. We will not pay you more than your financial interest in the Covered Property.
3. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claim against us for the owners' property. We will not pay the owners more than

## COMMERCIAL INLAND MARINE

their financial interest in the Covered Property.

4. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
5. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss if you have complied with all the terms of this Coverage Part and:
  - a. We have reached agreement with you on the amount of the loss; or
  - b. An appraisal award has been made.
6. We will not be liable for any part of a loss that has been paid or made good by others.

**F. Other Insurance**

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

**G. Pair, Sets Or Parts****1. Pair Or Set**

In case of loss or damage to any part of a pair or set we may:

- a. Repair or replace any part to restore the pair or set to its value before the loss or damage; or
- b. Pay the difference between the value of the pair or set before and after the loss or damage.

**2. Parts**

In case of loss or damage to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

**H. Recovered Property**

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

**I. Reinstatement Of Limit After Loss**

The Limit of Insurance will not be reduced by the payment of any claim, except for total loss or damage of a scheduled item, in which event we will refund the unearned premium on that item.

**J. Transfer Of Rights Of Recovery Against Others To Us**

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

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

This will not restrict your insurance.

**GENERAL CONDITIONS****A. Concealment, Misrepresentation Or Fraud**

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

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



**B. Control Of Property**

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

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

**C. Legal Action Against Us**

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

1. There has been full compliance with all the terms of this Coverage Part; and
2. The action is brought within 2 years after you first have knowledge of the direct loss or damage.

**D. No Benefit To Bailee**

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

**E. Policy Period, Coverage Territory**

We cover loss or damage commencing:

1. During the policy period shown in the Declarations; and
2. Within the coverage territory.

**F. Valuation**

The value of property will be the least of the following amounts:

1. The actual cash value of that property;
2. The cost of reasonably restoring that property to its condition immediately before loss or damage; or
3. The cost of replacing that property with substantially identical property.

In the event of loss or damage, the value of property will be determined as of the time of loss or damage.

# MEDICAL AND SCIENTIFIC EQUIPMENT COVERAGE FORM

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

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

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

## A. COVERAGE

We will pay for direct physical loss of or damage to Covered Property caused by or resulting from a Covered Cause of Loss.

### 1. Covered Property

Covered Property, as used in this Coverage Form, means the following property described in the Declarations:

- a. Your medical and scientific equipment including any related component or peripheral equipment;
- b. Your "mobile units"; and
- c. Similar property of others in your care, custody or control.

### 2. Property Not Covered

- a. Motor vehicles, except "mobile units" specifically described in the Declarations;
- b. Aircraft or watercraft;
- c. Property leased or rented to others;
- d. Contraband, or property in the course of illegal transportation or trade.

### 3. Covered Causes of Loss

Covered Causes of Loss means RISKS OF DIRECT PHYSICAL LOSS OR DAMAGE except those causes of loss listed in the Exclusions.

### 4. Additional Coverages

#### a. Data Processing Media, Data And Programs

We will pay for direct physical loss of or damage to your data processing media, data and programs, that are used exclusively with Covered Property. The loss or damage must be caused by or result from a Covered Cause of Loss.

- (1) Data is information which has been converted to a form useable in data

processing equipment. Data includes computer programs.

- (2) Media is the material on which data is recorded.

Accounts, bills, evidences of debt, valuable papers, abstracts, records, deeds, manuscripts or other documents are not covered, unless converted to data, and then only in that form.

The most we will pay under this Additional Coverage is \$25,000 in any one occurrence.

#### 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) Debris Removal does not apply to costs to:

- (a) Extract "pollutants" from land or water; or
- (b) Remove, restore or replace polluted land or water.

- (3) Except as provided below, payment for Debris Removal is included within the applicable Limit of Insurance shown in the Declarations. The most we will pay under this Additional Coverage is 25% of:

- (a) The amount we pay for the direct physical loss of or damage to Covered Property; plus
- (b) The Deductible in this Coverage Form applicable to that loss or damage.

## COMMERCIAL INLAND MARINE

- (4) When the debris removal expense exceeds the 25% limitation above or when the sum of the debris removal expense and the amount we pay for the direct physical loss of or damage to Covered Property exceeds the applicable Limit of Insurance, we will pay up to an additional \$25,000 for debris removal expense in any one occurrence.

**c. Electronic Vandalism**

- (1) We will pay for loss of or damage to Covered Property caused by or resulting from "electronic vandalism".
- (2) The most we will pay under this Additional Coverage in each separate 12 month period of this policy beginning with the effective date shown in the Declarations is \$25,000. This is the most we will pay for the total of all loss or damage covered in (1) above regardless of the:
- (a) Number of insureds, claims, locations, buildings or "mobile units";
  - (b) Number of occurrences during each separate 12 month period of this policy; or
  - (c) Types of coverages provided under this policy.
- (3) Any payment under this Additional Coverage is included within and will not increase the applicable Limit of Insurance.

**d. Equipment Control Systems**

If not covered by other insurance, we will pay for loss or damage caused by or resulting from a Covered Cause of Loss to the:

- (1) Air-conditioning system;
- (2) Security System;
- (3) Auxiliary power generators; and
- (4) Uninterruptible power supply,

that are used exclusively to protect or service Covered Property and that are at or within 100 feet of the building or "mobile unit" housing Covered Property.

The most we will pay under this Additional Coverage is \$25,000 in any one occurrence.

**e. Expediting Expenses**

- (1) In the event of direct physical loss of or damage to Covered Property caused by or resulting from a Covered Cause of Loss, we will pay for the reasonable and necessary additional expenses you incur to make temporary repairs, expedite permanent repairs, or expedite permanent replacement of Covered Property. Expediting expenses include overtime wages and the extra cost of express or other rapid means of transportation. Expediting expenses do not include expenses you incur for the temporary rental of property or temporary replacement of damaged property.
- (2) The most we will pay under this Additional Coverage is \$25,000 in any one occurrence.

**f. Fire Or Police Department Service Charge**

We will pay your liability for fire, police or other public emergency service department charges when such public emergency services are called to save or protect Covered Property from a Covered Cause of Loss. Such emergency service department charges must be:

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

The most we will pay under this Additional Coverage is \$25,000 in any one occurrence.

No deductible applies to this Additional Coverage.

**g. Fire Protective Systems**

If your fire protective equipment discharges accidentally or to control a Covered Cause of Loss, we will pay for your expense to:

- (1) Recharge or refill your fire protective systems; and
- (2) Replace or repair faulty valves or controls which caused the discharge.

The most we will pay under this Additional Coverage is \$75,000 in any one occurrence.

**h. Inventory, Appraisals, and Loss Adjustment Expenses**

We will pay the reasonable expenses you incur at our request to assist us in determination of the amount of the covered loss, including the extra wages necessarily incurred by your employees for preparing inventories and other loss information for completion of your proof of loss.

But we will not pay for:

- (1) Expenses to prove that the loss is covered;
- (2) Expenses incurred under the Appraisal section of the Commercial Inland Marine Conditions;
- (3) Expenses incurred for examinations under oath, even if required by us; or
- (4) Expenses incurred for public adjusters or any legal fees.

The most we will pay under this Additional Coverage is \$5,000 in any one occurrence.

**i. 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 to Covered Property 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 direct physical loss or damage.
- (2) This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.
- (3) The most we will pay under this Additional Coverage is \$25,000 for the sum of all covered expenses arising out of all Covered Causes of Loss to Covered Property occurring during each separate 12 month period of this policy beginning with the effective date shown in the Declarations.

**j. Reward Coverage**

We will reimburse you for any reward payments you make leading to:

- (1) The successful return of undamaged stolen Covered Property to a law enforcement agency; or
- (2) The arrest and conviction of any person who has damaged or stolen Covered Property.

We will pay 25% of the covered loss, prior to the application of any Deductible and recovery, up to a maximum of \$2,500 in any one occurrence for the reward payments you make. These reward payments must be documented.

This Additional Coverage does not apply in the state of New York.

**5. Coverage Extensions****a. Accounts Receivable**

- (1) We will pay for loss, as described in Paragraph (2) below, due to direct physical loss of or damage to your records of accounts receivable (including those on electronic data processing media) caused by or resulting from a Covered Cause of Loss. Credit card company media will be considered accounts receivable until delivered to the credit card company.
- (2) We will pay for:
  - (a) All amounts due from your customers that you are unable to collect;
  - (b) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
  - (c) Collection expenses in excess of your normal collection expenses that are made necessary by the loss or damage; and
  - (d) Other reasonable expenses that you incur to reestablish your records of accounts receivable.
- (3) The following additional exclusions apply to this Coverage Extension:
  - (a) We will not pay for loss caused by or resulting from bookkeeping, accounting or billing errors or omissions.

## COMMERCIAL INLAND MARINE

- (b) We will not pay for loss that requires any audit of records or any inventory computation to prove its factual existence.
- (c) We will not pay for loss 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. But this exclusion applies only to the extent of the wrongful giving, taking or withholding of money, securities or other property.
- (4) Paragraphs 2 and 3 of Section B – Exclusions do not apply to this Coverage Extension.
- (5) If you can accurately establish the amount of accounts receivable outstanding as of the time of loss or damage, that amount will be used in determination of loss.
- If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage, the following method will be used:
- (a) 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) 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.
- (6) The following will be deducted from the total amount of accounts receivable:
- (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 reestablish 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.
- The most we will pay under this Coverage Extension is \$50,000 in any one occurrence.
- b. Backup and Duplicate Data Processing Media, Data and Programs**
- We will pay for loss of or damage to your backup or duplicate data or media if it is kept at a premises that are separate from where the original data or media is kept. The loss or damage must be caused by or result from a Covered Cause of Loss.
- The most we will pay under this Coverage Extension is \$25,000 in any one occurrence.
- c. Employees' Property in Mobile Units**
- With respect to any "mobile unit" covered under this Coverage Form we will pay for direct physical loss of or damage to property of your employees while such property is in any such "mobile unit". The loss or damage must be caused by or result from a Covered Cause of Loss.
- The most we will pay under this Coverage Extension is \$500 for any one employee, but not to exceed \$10,000 for two or more employees in any one occurrence.
- d. Expendable Supplies for Mobile Units**
- With respect to any "mobile unit" covered under this Coverage Form we will pay for direct physical loss of or damage to "expendable supplies". The loss or damage must be caused by or result from a Covered Cause of Loss.
- The most we will pay under this Coverage Extension is \$10,000 in any occurrence.
- e. Incompatibility of Data Processing Media, Data and Programs**
- We will pay the cost of modifying your undamaged Covered Property following a Covered Cause of Loss to Covered Property in order to achieve compatibility between the remaining undamaged Covered Property and any replacement Covered Property.

The most we will pay under this Coverage Extension is \$25,000 in any one occurrence.

**f. Newly Acquired Property**

If during the policy period you acquire a financial interest in property of the type already covered by this Coverage Form, we will extend the insurance provided by this Coverage Form to cover such newly acquired property for up to 90 days from the date acquired.

Coverage under this Coverage Extension will end when any of the following first occurs:

- (1) 90 days expire after you acquire the property;
- (2) You report the property to us; or
- (3) The policy expires or is cancelled.

We will charge you additional premium for the new property from the date of your acquisition.

The most we will pay under this Coverage Extension is \$1,000,000 in any one occurrence.

**g. Spare Parts**

We will pay for direct physical loss of or damage to spare parts for Covered Property that is caused by or results from a Covered Cause of Loss.

The most we will pay under this Coverage Extension is \$25,000 in any one occurrence.

**h. Valuable Papers and Records**

We will pay your costs to research, replace, or restore lost or damaged valuable papers and records, including those that are on computer software, for which there are no duplicates, if such loss or damage is caused by or results from a Covered Cause of Loss.

The most we will pay under this Coverage Extension is \$50,000 in any one occurrence.

**6. Optional Coverages**

The following apply only when an 'X' is indicated in the Declarations for the applicable Optional Coverage.

**a. Business Income and Extra Expense**

**(1) Business Income**

We will pay for the actual loss of "business income" you sustain due to the necessary "suspension" of your business operations during the "period of restoration". The "suspension" must be caused by direct physical loss of or damage to Covered Property described in the Declarations under the Business Income and Extra Expense Optional Coverage. The loss or damage must be caused by or result from a Covered Cause of Loss.

We will also pay the reasonable and necessary expenses you incur to reduce the amount of the actual loss of "business income" sustained. We will pay for such expenses only to the extent that they reduce the amount of the actual loss of "business income" that we would have otherwise paid.

**(2) Extra Expense**

We will pay for the actual and necessary "extra expense" (other than the expense to repair or replace property) you sustain due to direct physical loss or damage to Covered Property described in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss.

We will pay such "extra expense" to:

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

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

The most we will pay in any one occurrence under this Optional Coverage is the applicable Limit of Insurance shown in the Declarations.

## COMMERCIAL INLAND MARINE

- (3)** The following additional exclusions apply to this Optional Coverage:

We will not pay the amount of the actual loss of "business income" caused by or resulting from any of the following:

- (a)** Delay in repairing or replacing the damaged Covered Property or resuming business operations due to interference by strikers or other persons at any location;
  - (b)** Suspension, lapse or cancellation of any lease, license, contract or order; or
  - (c)** Any other consequential loss.
- (4)** The following Additional Coverage Conditions also apply to this Optional Coverage:

- (a)** Resumption of Operations

We will reduce the amount of the loss of "business income" to the extent that business operations can be resumed, in whole or in part, by:

- (i)** Using damaged or undamaged property; or
- (ii)** Making use of temporary or substitute facilities or services where practical.

If business operations are not resumed as quickly as possible, we will pay based on the length of time it would have taken to resume business operations as quickly as possible.

- (b)** Loss Determination

- (i)** 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 business 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)** Financial records and accounting procedures;
  - b)** Bills, invoices and other vouchers; and
  - c)** Deeds, liens or contracts.
- (ii)** The amount of "extra expense" loss will be determined based on:
  - 1)** All expenses that exceed the normal operating expenses that would have been incurred by business 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 business operations are resumed; and
    - b)** Any "extra expense" that is paid for by other insurance, except for insurance that is written subject to the same plan, terms, conditions and

provisions as this insurance; and

- 2) Necessary expenses that reduce the "business income" loss that otherwise would have been incurred.

#### **b. Equipment Breakdown**

We will pay for direct physical loss of or damage to Covered Property caused by or resulting from a breakdown of:

- (1) Covered medical and scientific equipment; and
- (2) Medical and scientific equipment that is part of a covered "mobile unit".

### **B. EXCLUSIONS**

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

#### **a. Governmental Action**

Seizure or destruction of property by order of governmental authority;

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

#### **b. Nuclear Hazard**

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

But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for the direct loss or damage caused by that fire if the fire would be covered under this Coverage Form.

#### **c. War and Military Action**

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

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

#### **d. Earth Movement**

- (1) Earthquake, including any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;
- (4) Earth sinking (other than "sinkhole collapse"), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface;

all whether naturally occurring or due to man made or other artificial causes.

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

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

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

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

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



## COMMERCIAL INLAND MARINE

physical loss or damage to the described property.

**e. Water**

- (1) Flood, surface water, waves, tides, tidal waves, tsunami overflow of any body of water, or their spray; all whether driven by wind or not;
- (2) Mudslide or mudflow;
- (3) Water or sewage that backs up or overflows from a sewer, drain or sump; or
- (4) Water under the ground surface pressing on, or flowing or seeping through:
  - (a) Foundations, walls, floors or paved surfaces;
  - (b) Basements whether paved or not; or
  - (c) Doors, windows or other openings.

all whether naturally occurring or due to man made or other artificial causes.

But if loss or damage by fire, explosion, theft or sprinkler leakage results, we will pay for that resulting loss or damage.

**f. Electronic Vandalism**

"Electronic Vandalism", except to the extent that coverage is provided in the "Electronic Vandalism" Additional Coverage.

But if "electronic vandalism" results in a "specified cause of loss", other than vandalism, we will pay for loss or damage caused by that "specified cause of loss".

**g. Utility Services**

The failure or fluctuation of power or other utility service supplied to the building or "mobile unit" containing Covered Property, however caused, if the cause of the failure or fluctuation occurs away from the building or "mobile unit" containing Covered Property.

But if the failure or fluctuation of power or other utility service results in a Covered Cause of Loss, we will pay for the loss or damage resulting from that Covered Cause of Loss.

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

- a. Dishonest or criminal acts committed by:
  - (1) You, any of your partners, employees, directors, trustees or authorized representatives;
  - (2) A manager or member if you are a limited liability company;
  - (3) Anyone else with an interest in the property, or their employees or authorized representatives; or
  - (4) Anyone else to whom the property is entrusted for any purpose.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

This exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire or to acts of destruction by your employees. But theft by employees is not covered.

- b. Delay, loss of use or loss of market except as may be provided under the Business Income and Extra Expense Optional Coverage.
- c. 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".
- d. Wear and tear, any quality in the property that causes it to damage or destroy itself, hidden or latent defect, gradual deterioration, depreciation, insects, vermin or rodents.
- e. Mechanical breakdown or failure, including rupture or bursting caused by centrifugal force.
 

This exclusion does not apply to the Equipment Breakdown Optional Coverage.
- f. Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs or otherwise interferes with any:
  - (1) Electrical or electronic wire, device, appliance, system or network; or

- (2) Device, appliance, system or network utilizing cellular or satellite technology.

Electrical, magnetic or electromagnetic energy includes:

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

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

This exclusion does not apply to the Equipment Breakdown Optional Coverage.

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.** and **3.b.** below results in a Covered Cause of Loss, we will pay for the resulting loss or damage caused by that Covered Cause of Loss.

- a.** Weather conditions, but this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in **B.1.**, above, to produce the loss or damage.
- b.** Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
- c.** Faulty, inadequate or defective:
- (1) Planning, zoning, development, surveying, siting;  
 (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;  
 (3) Materials used in repair, construction, renovation or remodeling; or  
 (4) Maintenance;

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

If an excluded cause of loss that is listed in Paragraphs (1) through (4) above results in a Covered Cause of Loss, we will pay for the resulting loss or damage caused by that Covered Cause of Loss. But we will not pay for:

- (1) Any cost of correcting or making good the fault, inadequacy or defect itself, including any cost incurred to tear down, tear out, repair or replace any part of any property to correct the fault, inadequacy or defect; or  
 (2) Any resulting loss or damage by a Covered Cause of Loss to the property that has the fault, inadequacy or defect until the fault, inadequacy or defect is corrected.

### C. LIMITS OF INSURANCE

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations. But in the event coverage for loss or damage is provided under the Additional Coverages or Coverage Extensions, the Limits of Insurance stated within the specific Additional Coverage or Coverage Extension will apply as additional amounts of insurance, unless otherwise stated within the Additional Coverage or Coverage Extension.

### D. DEDUCTIBLE

We will not pay for loss or damage in any one occurrence until the amount of the adjusted loss or damage exceeds the applicable 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.

Unless otherwise stated within the applicable Additional Coverage or Coverage Extension, the Deductible shown in the Declarations applies to the Additional Coverages or Coverage Extensions. But in the event this Coverage Form, and any other coverage form under this policy or another policy written by us or any of our affiliated insurance companies and issued to you, applies to the same loss or damage, we will deduct only the largest applicable deductible.

### E. ADDITIONAL COVERAGE CONDITIONS

The following conditions apply in addition to the COMMERCIAL INLAND MARINE CONDITIONS and the COMMON POLICY CONDITIONS.

#### 1. Coverage Territory

We cover property wherever located within:

- a.** The United States of America (including its territories and possessions);  
**b.** Puerto Rico; and  
**c.** Canada.

## COMMERCIAL INLAND MARINE

**2. Minimum Earned Premium**

You must pay at least the Minimum Earned Premium shown in the Declarations.

This Minimum Earned Premium will only apply if you cancel this coverage after it has taken effect.

**3. Valuation**

The Valuation General Condition in the COMMERCIAL INLAND MARINE CONDITION is replaced by the following:

In the event of loss or damage, the value of Covered Property as of the time of loss will be determined as follows:

**a. Covered Equipment Except Property Of Others**

We will adjust loss or damage to equipment other than vacuum tubes and gas tubes, on the basis of "replacement cost". The most we will pay is:

- (1) The amount necessary to repair the equipment; or
- (2) The amount necessary to replace the equipment with new equipment of equal performance, capacity or function; or
- (3) The applicable Limit of Insurance; whichever is least.

The value of Covered Equipment Except Property of Others includes the pro-rated cost for the unused portion of non-refundable extended warranties, maintenance contracts or service contracts that you have purchased which are no longer valid on lost or damaged covered equipment that you repair or replace.

We will adjust loss or damage to vacuum tubes and gas tubes on the basis of actual cash value, with proper depreciation for past usage.

**b. Data**

The basis of valuation for data (including programs), will be the actual cost of replacing the data. If it is not replaced or reproduced, we will pay the cost of the blank media.

**c. Media**

The value of the media will be the cost to replace the media with material of the same kind or quality.

**d. Property of Others**

The value of property of others will be the lesser of the following amounts:

- (1) The amount for which you are liable; or
- (2) The "replacement cost" of that property.

**4. Coinsurance**

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

We will not pay the full amount of any loss or damage if the value of Covered Property at the time of loss or damage multiplied by the Coinsurance percentage shown 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:

**Step 1:** Multiply the value of Covered Property at the time of loss or damage by the Coinsurance percentage;

**Step 2:** Divide the Limit of Insurance of the property by the figure determined in Step 1;

**Step 3:** Multiply the total amount of covered loss or damage, before the application of any deductible, by the figure determined in Step 2; and

**Step 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.

The Coinsurance Additional Coverage Condition does not apply to Property of Others.

**F. DEFINITIONS**

1. "Business income" means the:
  - a. Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred had no loss or damage occurred; and
  - b. Continuing normal operating expenses incurred, including payroll.
2. "Extra expense" means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property caused by or resulting from a Covered Cause of Loss.

3. "Electronic vandalism" means:
- a. Willful or malicious destruction of computer programs, content, instructions or other electronic or digital data stored within computer systems.
  - b. Unauthorized computer code or programming that:
    - (1) Deletes, distorts, corrupts or manipulates computer programs, content, instructions or other electronic or digital data, or that otherwise results in damage to computers or computer systems or networks to which it is introduced;
    - (2) Replicates itself, impairing the performance of computers or computer systems or networks; or
    - (3) Gains remote control access to data and programming within computers or computer systems or networks to which it is introduced, for uses other than those intended for authorized users of the computers or computer systems or networks.
4. "Expendable supplies" means consumable and periodic maintenance items, held exclusively for the servicing of any "mobile unit", including cryogenes, oil, grease, fuel, filters and spark plugs.
5. "Mobile unit" means any type of transporting conveyance specifically outfitted or designed to house medical and scientific equipment. Mobile unit includes any medical or scientific equipment in or on such conveyance.
6. "Period of restoration" means the period of time after direct physical loss of or damage to Covered Property from a Covered Cause of Loss that:
- a. Begins immediately or after the applicable Waiting Period shown in the Declarations whichever is later; and
  - b. Ends on the earlier of:
    - (1) The date when the Covered Property should be repaired or replaced with reasonable speed and similar quality; or
    - (2) The date when business operations are resumed.
- The "period of restoration" does not include any increased period required due to the enforcement of any ordinance or law that:
- a. Regulates the construction, use, repair, replacement, or requires the tearing down of any property;
  - b. Regulates the prevention, control, repair, cleanup or restoration of environmental damage; or
  - c. Requires you 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".
7. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant including smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste. Waste includes materials to be recycled, reconditioned or reclaimed.
8. "Replacement cost" means the cost to repair or replace lost or damaged property without deduction for depreciation. But if you choose not to repair or replace the item, we will pay only the actual cash value of the item, with proper deduction for depreciation.
9. "Sinkhole collapse" means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. "Sinkhole collapse" does not mean the cost of filling sinkholes or the sinking or collapse of land into man-made underground cavities.
10. "Specified Causes of Loss" means fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; "sinkhole collapse"; volcanic action; falling objects; weight of snow, ice or sleet; "water damage".
- a. Falling objects does not include loss or damage to:
    - (1) Personal property in the open; or
    - (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.
  - b. "Water damage" means accidental discharge or leakage of water or steam as the direct result of the breaking apart or

COMMERCIAL INLAND MARINE

cracking of any part of a system or appliance containing water or steam.

**11.** "Suspension" means the slowdown or cessation of business activities.

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

## **FEDERAL TERRORISM RISK INSURANCE ACT DISCLOSURE**

This endorsement modifies insurance provided under the following:

### **COMMERCIAL INLAND MARINE COVERAGE PART**

The federal Terrorism Risk Insurance Act of 2002 as amended ("TRIA") establishes a program under which the Federal Government may partially reimburse "Insured Losses" (as defined in TRIA) caused by "Acts Of Terrorism" (as defined in TRIA). "Act Of Terrorism" is defined in Section 102(1) of TRIA to mean any act that is 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 certain air carriers or vessels 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.

The Federal Government's share of compensation for such Insured Losses is established by TRIA and is a percentage of the amount of such Insured Losses in excess of each Insurer's "Insurer Deductible" (as defined in TRIA), subject to the "Program Trigger" (as defined in TRIA). Through 2020, that percentage is established by TRIA as follows:

85% with respect to such Insured Losses occurring in calendar year 2015.

84% with respect to such Insured Losses occurring in calendar year 2016.

83% with respect to such Insured Losses occurring in calendar year 2017.

82% with respect to such Insured Losses occurring in calendar year 2018.

81% with respect to such Insured Losses occurring in calendar year 2019.

80% with respect to such Insured Losses occurring in calendar year 2020.

In no event, however, will the Federal Government be required to pay any portion of the amount of such Insured Losses occurring in a calendar year that in the aggregate exceeds \$100 billion, nor will any Insurer be required to pay any portion of such amount provided that such Insurer has met its Insurer Deductible. Therefore, if such Insured Losses occurring in a calendar year exceed \$100 billion in the aggregate, the amount of any payments by the Federal Government and any coverage provided by this policy for losses caused by Acts Of Terrorism may be reduced.

The charge for such Insured Losses under this Coverage Part is included in the Coverage Part premium. The charge for such Insured Losses that has been included for this Coverage Part is indicated below, and does not include any charge for the portion of such Insured Losses covered by the Federal Government under TRIA:

- 1% of your total Commercial Inland Marine Coverage Part premium.

**INTERLINE  
ENDORSEMENTS**



**INTERLINE  
ENDORSEMENTS**



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

## **AMENDMENT OF COMMON POLICY CONDITIONS – PROHIBITED COVERAGE – UNLICENSED INSURANCE AND TRADE OR ECONOMIC SANCTIONS**

This endorsement modifies insurance provided under the following:

ALL COVERAGES INCLUDED IN THIS POLICY

The following is added to the Common Policy Conditions:

### **Prohibited Coverage – Unlicensed Insurance**

1. With respect to loss sustained by any insured, or loss to any property, located in a country or jurisdiction in which we are not licensed to provide this insurance, this insurance does not apply to the extent that insuring such loss would violate the laws or regulations of such country or jurisdiction.
2. We do not assume responsibility for:
  - a. The payment of any fine, fee, penalty or other charge that may be imposed on any person or organization in any country or jurisdiction because we are not licensed to provide insurance in such country or jurisdiction; or

- b. The furnishing of certificates or other evidence of insurance in any country or jurisdiction in which we are not licensed to provide insurance.

### **Prohibited Coverage – Trade Or Economic Sanctions**

We will provide coverage for any loss, or otherwise will provide any benefit, only to the extent that providing such coverage or benefit does not expose us or any of our affiliated or parent companies to:

1. Any trade or economic sanction under any law or regulation of the United States of America; or
2. Any other applicable trade or economic sanction, prohibition or restriction.

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

## **CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART  
COMMERCIAL EXCESS LIABILITY (UMBRELLA) INSURANCE  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
CYBERFIRST ESSENTIALS LIABILITY COVERAGE PART  
CYBERFIRST LIABILITY COVERAGE  
DELUXE PROPERTY COVERAGE PART  
EMPLOYEE BENEFITS LIABILITY COVERAGE PART  
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART  
EMPLOYMENT PRACTICES LIABILITY+ WITH IDENTITY FRAUD EXPENSE REIMBURSEMENT  
COVERAGE PART  
ENVIRONMENTAL HAZARD POLICY  
EQUIPMENT BREAKDOWN COVERAGE PART  
EXCESS (FOLLOWING FORM) LIABILITY INSURANCE  
LAW ENFORCEMENT LIABILITY COVERAGE PART  
LIMITED ABOVE GROUND POLLUTION LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
MEDFIRST PRODUCTS/COMPLETED OPERATIONS, ERRORS AND OMISSIONS, AND  
INFORMATION SECURITY LIABILITY COVERAGE FORM  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
PUBLIC ENTITY MANAGEMENT LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY – NEW YORK DEPARTMENT OF  
TRANSPORTATION  
TRIBAL BUSINESS MANAGEMENT LIABILITY COVERAGE PART  
Any other Coverage Part or Coverage Form included in this policy that is subject to the federal Terrorism  
Risk Insurance Act of 2002 as amended

The following is added to this policy. This provision can limit coverage for any loss arising out of a "certified act of terrorism" if such loss is otherwise covered by this policy. This provision does not apply if and to the extent that coverage for the loss is excluded or limited by an exclusion or other coverage limitation for losses arising out of "certified acts of terrorism" in another endorsement to this policy.

If aggregate insured losses attributable to "certified acts of terrorism" exceed \$100 billion in a calendar year and we have met our insurer deductible under "TRIA", we will 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.

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of "TRIA", to be an act of terrorism pursuant to "TRIA". The criteria contained in "TRIA" 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 "TRIA"; 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.

"TRIA" means the federal Terrorism Risk Insurance Act of 2002 as amended.

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

## **EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA**

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
FARM COVERAGE PART

- A.** The exclusion set forth in Paragraph **B.** applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense, rental value or action of civil authority.
- B.** We will not pay for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.
- C.** With respect to any loss or damage subject to the exclusion in Paragraph **B.**, such exclusion supersedes any exclusion relating to "pollutants".
- D.** The terms of the exclusion in Paragraph **B.**, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part or Policy.

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

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

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART  
CRIME AND FIDELITY COVERAGE PART  
DELUXE PROPERTY COVERAGE PART  
EQUIPMENT BREAKDOWN COVERAGE PART

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

Actual cash value is calculated as the amount it would cost to repair or replace Covered Property, at the time of loss or damage, with material of like kind and quality, subject to a deduction for deterioration, deprecia-

tion and obsolescence. Actual cash value applies to valuation of Covered Property regardless of whether that property has sustained partial or total loss or damage.

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

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

## **EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES DUE TO DATES OR TIMES**

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART  
COMMERCIAL CRIME COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART

- A.** We will not pay for loss ("loss") or damage caused directly or indirectly by any of the following. Such loss ("loss") or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss ("loss") or damage.
- 1.** The failure, malfunction or inadequacy of:
    - a.** Any of the following, whether belonging to any insured or to others:
      - (1)** Computer hardware, including micro-processors;
      - (2)** Computer application software;
      - (3)** Computer operating systems and related software;
      - (4)** Computer networks;
      - (5)** Microprocessors (computer chips) not part of any computer system; or
      - (6)** Any other computerized or electronic equipment or components; or
    - b.** Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph **A.1.a.** of this endorsement;
- due to the inability to correctly recognize, process, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.
- 2.** Any advice, consultation, design, evaluation, inspection, installation, maintenance, repair, replacement or supervision provided or done by you or for you to determine, rectify or test for, any potential or actual problems described in Paragraph **A.1.** of this endorsement.
- B.** If an excluded Cause of Loss as described in Paragraph **A.** of this endorsement results:
- 1.** In a Covered Cause of Loss under the Boiler and Machinery Coverage Part, the Commercial Crime Coverage Part or the Commercial Inland Marine Coverage Part; or
  - 2.** Under the Commercial Property Coverage Part:
    - a.** In a "Specified Cause of Loss", in elevator collision resulting from mechanical breakdown, or from theft (if insured) under the Causes of Loss – Special Form; or
    - b.** In a Covered Cause of Loss under the Causes of Loss – Basic Form or the Causes of Loss – Broad Form;
- we will pay only for the loss ("loss") or damage caused by such "Specified Cause of Loss", elevator collision, theft, or a Covered Cause of Loss.
- C.** We will not pay for repair, replacement or modification of any items in Paragraphs **A.1.a.** and **A.1.b.** of this endorsement to correct any deficiencies or change any features.

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

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

This endorsement modifies insurance provided under the following:

COMMERCIAL AUTOMOBILE COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL LIABILITY UMBRELLA COVERAGE PART  
CRIME AND FIDELITY COVERAGE PART  
DELUXE PROPERTY COVERAGE PART  
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART  
EQUIPMENT BREAKDOWN COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

- A.** The **CANCELLATION** Common Policy Conditions – Deluxe is replaced by the following:

### **CANCELLATION**

- 1.** The first Named Insured shown in the Declarations may cancel this policy by writing or giving notice of cancellation.
- 2. CANCELLATION OF POLICIES IN EFFECT FOR LESS THAN 60 DAYS**

We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least 60 days before the effective date of cancellation.

- 3. CANCELLATION OF POLICIES IN EFFECT FOR 60 DAYS OR MORE**

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

- a.** You have made a material misrepresentation which affects the insurability of the risk. Notice of cancellation will be mailed or delivered at least 15 days before the effective date of cancellation.
- b.** You have failed to pay a premium when due, whether the premium is payable directly to us or our agents or indirectly under a premium finance plan or extension of credit. Notice of cancellation will be mailed at least 15 days before the effective date of cancellation.
- c.** A condition, factor or loss experience material to insurability has changed substantially or a substantial condition, factor or loss experience material to insurability

has become known during the policy period. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.

- d.** Loss of reinsurance or a substantial decrease in reinsurance has occurred, which loss or decrease, at the time of cancellation, shall be certified to the Insurance Commissioner as directly affecting in-force policies. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.
- e.** Material failure to comply with policy terms, conditions or contractual duties. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.
- f.** Other reasons that the Insurance Commissioner may approve. Notice of cancellation will be mailed or delivered at least 60 days before the effective date of cancellation.

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

- 4.** We will mail or deliver our notice to the first Named Insured's last mailing address known to us. Notice of cancellation will state the specific reasons for cancellation.
- 5.** Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

6. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata and will be returned within 10 business days after the effective date of cancellation. If the first Named Insured cancels, the refund may be less than pro rata and will be returned within 30 days after the effective date of cancellation. The cancellation will be effective even if we have not made or offered a refund.
  7. If notice is mailed, it will be by registered or first class mail. Proof of mailing will be sufficient proof of notice.
- B.** The following are added and supersede any provisions to the contrary:

**1. NONRENEWAL**

If we decide not to renew this policy, we will mail or deliver written notice of nonrenewal,

stating the specific reasons for nonrenewal, to the first Named Insured at least 60 days before the expiration date of the policy.

**2. INCREASE OF PREMIUM**

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

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

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

**PENNSYLVANIA CHANGES**

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART  
CRIME AND FIDELITY COVERAGE PART  
DELUXE PROPERTY COVERAGE PART  
EQUIPMENT BREAKDOWN COVERAGE PART

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

Commercial Inland Marine Coverage Part  
Crime And Fidelity Coverage Part  
Deluxe Property Coverage Part  
Equipment Breakdown Coverage Part

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

**F. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS POLICY**

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

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

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

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

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

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

Commercial Inland Marine Coverage Part  
Deluxe Property Coverage Part

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

**NOTICE OF ACCEPTANCE OR DENIAL OF CLAIM**

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

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

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

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

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



## PENNSYLVANIA NOTICE

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

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

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

The Act does not apply:

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

## **POLICYHOLDER NOTICES**



**POLICYHOLDER NOTICES**

**IMPORTANT NOTICE – INDEPENDENT AGENT AND BROKER  
COMPENSATION**

**NO COVERAGE IS PROVIDED BY THIS NOTICE. THIS NOTICE DOES NOT AMEND ANY PROVISION OF YOUR POLICY. YOU SHOULD REVIEW YOUR ENTIRE POLICY CAREFULLY FOR COMPLETE INFORMATION ON THE COVERAGES PROVIDED AND TO DETERMINE YOUR RIGHTS AND DUTIES UNDER YOUR POLICY. PLEASE CONTACT YOUR AGENT OR BROKER IF YOU HAVE ANY QUESTIONS ABOUT THIS NOTICE OR ITS CONTENTS. IF THERE IS ANY CONFLICT BETWEEN YOUR POLICY AND THIS NOTICE, THE PROVISIONS OF YOUR POLICY PREVAIL.**

For information about how Travelers compensates independent agents and brokers, please visit [www.travelers.com](http://www.travelers.com), call our toll-free telephone number 1-866-904-8348, or request a written copy from Marketing at One Tower Square, 2GSA, Hartford, CT 06183.

**To Our Valued Customer,**

**Each year, homeowners and business owners across the nation sustain significant weather-related property damage due to floods. These can include losses caused by waves, tidal waters, the overflow of a body of water, the rapid accumulation or runoff of surface water, and mudslide. In nearly all cases, these flood losses cannot be prevented or even anticipated. And, in many instances, the losses are devastating.**

**Most standard property insurance policies, including most of our policies, do not provide coverage for flood losses. While flood coverage is often available – primarily through the National Flood Insurance Program – it is rarely purchased. Unfortunately, each year we find that some policyholders are surprised and disappointed to learn that damages they have suffered as a direct result of flood are not covered under the policies they have purchased.**

**Please review your insurance coverage with your agent or Company representative. As you consider the need for flood insurance, keep in mind that floods can, and do, occur in locations all over the country. They are not limited to coastal areas or locations with nearby rivers or streams. Several inches of rain falling over a short period of time can cause flood damage, even in normally dry areas that are not prone to flooding.**

**For further information about Flood Insurance, contact your agent or company representative, or contact the National Flood Insurance Program directly.**



## NOTICE TO POLICYHOLDERS JURISDICTIONAL INSPECTIONS

Dear Policyholder;

Many states and some cities issue certificates permitting the continued operation of certain equipment such as boilers, water heaters, pressure vessels, etc. Periodic inspections are normally required to renew these certificates. In most jurisdictions, insurance company employees who have been licensed are authorized to perform these inspections.

If:

- You own or operate equipment that requires a certificate from a state or city to operate legally, and
- We insure that equipment under this Policy, and
- You would like us to perform the next required inspection;

Then;

Call this toll-free number – **1-800-425-4119**

When you call this number, our representative will ask you for the following information:

- Name of your business (as shown on this Policy)
- Policy Number
- Location where the equipment is located. Including Zip Code.
- Person to contact and phone number for scheduling of inspection
- Type of equipment requiring inspection
- Certificate inspection date and certificate number

Or;

Fill in the form on the reverse side of this notice and fax it to the toll-free number indicated on that form.

Please note the following:

- Your jurisdiction may charge you a fee for renewing a certificate. It is your responsibility to pay such a fee.
- All the provisions of the INSPECTIONS AND SURVEYS Condition apply to the inspections described in this notice.

### REMINDER

If new equipment is installed or old equipment replaced that requires a jurisdictional inspection please let us know by calling our toll-free number listed above.

# REQUEST FOR JURISDICTIONAL INSPECTION

Name of Business: \_\_\_\_\_  
(As Shown on Policy)

Policy Number: \_\_\_\_\_

Location of Equipment:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

City State Zip Code

Person to Contact for Scheduling Inspection: \_\_\_\_\_

Telephone Number of Person to Contact: \_\_\_\_\_

Equipment Type	Certificate Number	Certificate Expiration Date

**Fax Form to 1-877-764-9535**

Completed by: \_\_\_\_\_ Phone Number: \_\_\_\_\_



P.O. Box 650293  
Dallas, TX 75265-0293  
(877) TRAVCAT (872-8228)

CHAN SOON-SHIONG MEDICAL  
CENTER AT WINDBER (AS PER IL T8 00)  
600 SOMERSET AVENUE  
WINDBER, PA 15963

4/16/2020

<b>Insured:</b>	CHAN SOON-SHIONG MEDICAL CENTER AT WINDBER (AS PER IL T8 00)
<b>Policy #:</b>	PJ630-4C211340
<b>Claim/File#:</b>	DHQ0540001H
<b>Date of Loss:</b>	4/6/2020
<b>Underwriting Company:</b>	TRAVELERS PROPERTY CASUALTY COMPANY OF AMERICA

Dear Mrs. Brock,

This letter will follow our recent discussion regarding the above-referenced claim. After reviewing the terms of your policy and the information you have provided, Travelers Property Casualty Company of America (Travelers) has determined that there is no coverage for your Business Income claim. The reasons for our conclusion are set forth below.

### **The Loss**

You presented a claim for loss of income due to fewer surgeries being performed. You indicated the reduction in surgeries is the result of the COVID-19 virus – either due to concern from potential patients about contracting COVID-19 or because of measures that officials put in place to help slow the spread of the virus. You further informed us that as of the time you reported this loss your business was still open and that your business property has not sustained any damage.

### **Business Income Coverage**

Your policy contains Business Income (and Extra Expense) coverage that applies under certain circumstances. (DELUXE BUSINESS INCOME (AND EXTRA EXPENSE) COVERAGE FORM, DX T1 01 11 12). As the policy states on page 1, Business Income coverage is provided “at premises which are described in the Declarations and for which a Business Income and Extra Expense Limit of Insurance is shown in the Declarations.” We will pay for “the actual loss of Business Income you sustain due to the necessary ‘suspension’ of your operations during the ‘period of restoration’. The ‘suspension’ must be caused by direct physical loss of or damage to property at the premises which are described in the Declarations and for which a Business Income and Extra Expense Limit of Insurance is shown in the Declarations. The loss or damage must be caused by or result from a Covered Cause of Loss.” The policy further provides that Covered Causes of Loss means “RISKS OF DIRECT PHYSICAL LOSS” that are not otherwise limited or excluded.



Because there was no direct physical loss or damage at the described premises, per the IL T0 03 04 96 location schedule on your policy, this Business Income and Extra Expense coverage does not apply to your loss.

### Civil Authority Coverage

Your policy also contains Civil Authority coverage. This coverage is set forth on pages 2-3 of the Deluxe Business Income (And Extra Expense) Coverage Form (DX T1 01 11 12) and provides in pertinent part:

#### 4. Additional Coverages

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##### c. Civil Authority

(1) When a Covered Cause of Loss causes damage to property other than property at the described premises, we will pay for the actual loss of Business Income you sustain and the actual 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 100 miles 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.

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As set forth above, there are four primary elements, *each of which* must be satisfied, in order for Civil Authority coverage to apply. We will address those elements as they relate to your claim:

1. **A civil authority must *prohibit* access to the described premises:** Access to your premises has not been prohibited.
2. **The prohibited access to the described premises must be in response to dangerous physical conditions resulting from off-premises damaged property or continuation of the Covered Cause of Loss that caused that damage, or to enable a civil authority to have unimpeded access to that damaged property:** The civil authority order that is affecting your business was not issued due to damaged property off-premises. Rather, the order was issued to slow the spread of COVID-19.
3. **The damage to property must be caused by or resulting from a Covered Cause of Loss:** As will be explained below, loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease is not a Covered Cause of Loss.
4. **Access to the area immediately surrounding the off-premises damaged property must also be prohibited as a result of the damage, and the described premises must be within that area,**

**but not more than 100 miles from the damage:** There was no order prohibiting access due to loss or damage to off-premises property.

Therefore, because all the requirements that are necessary for Civil Authority coverage are not present in your claim, this coverage does not apply.

### **Ingress or Egress Coverage**

The policy also provides the following Coverage Extension:

#### **5. Coverage Extensions**

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##### **b. Ingress or Egress**

**(1)** You may extend the insurance provided by this Coverage Form for:

**(a)** The actual loss of Business Income you sustain due to the necessary "suspension" of your "operations" during the "period of restoration"; and

**(b)** The actual Extra Expense you incur during the "period of restoration";

to apply to the actual amount of such loss of Business Income and Extra Expense that you incur when ingress to or egress from the described premises is prevented (other than as provided in the Civil Authority Additional Coverage).

**(2)** The prevention of ingress to or egress from the described premises must be caused by direct physical loss or damage by a Covered Cause of Loss to property that is away from, but within 1 mile of the described premises, unless a different number of miles is shown in the Declarations. This coverage will apply for up to 30 consecutive days from the date when the ingress or egress is first prevented.

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There is no Ingress or Egress coverage for your loss because ingress or egress to your establishment has not been prevented. Additionally, there is no direct physical loss or damage by a Covered Cause of Loss to property that is away from your premises.

### **Policy Exclusions**

Even if there had been qualifying direct physical loss or damage at the described premises or at a qualifying location for Civil Authority or Ingress or Egress coverage, such loss or damage if caused by COVID-19 would not have been caused by a Covered Cause of Loss due to the below cited exclusions.

Your DELUXE PROPERTY COVERAGE FORM (DX T1 00 11 12) contains the following exclusions:

#### **C. EXCLUSIONS**

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

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

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**j. Virus or Bacteria**

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

**(2)** With respect to any loss or damage subject to this exclusion, this exclusion supersedes any exclusion relating to "pollutants".

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

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**b. Consequential Loss**

**(1)** Delay, loss of use or loss of market; or

**(2)** Loss of business income or extra expense except as specifically provided in this Coverage Part.

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**i. Other Types of Losses**

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

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**(d)** Contamination by other than "pollutants";...

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**3.** We will not pay for loss or damage caused by or resulting from any of the following, **3.a.** through **3.c.**

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

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I further direct your attention to the endorsement titled "Exclusion of Loss Due to Virus or Bacteria" (IL T3 82 05 13), which provides in pertinent part:

**A.** The exclusion set forth in Paragraph **B.** applies to all coverage under all forms and endorsements that comprise this Coverage Part or Policy, including but not limited to forms or endorsements that cover property damage to buildings or personal

property and forms or endorsements that cover business income, extra expense, rental value or action of civil authority.

- B.** We will not pay for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.

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Because the policy excludes loss or damage caused by or resulting from any virus, which includes the COVID-19 virus, your business income loss is not covered. Additionally, to the extent that you seek coverage for Business Income losses that are caused by or resulting from “loss of use or loss of market”, “contamination by other than ‘pollutants’”, and/or “acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body”, there is no coverage for your loss.

Please note that there may be other terms and conditions that apply to this loss. Nothing in this letter shall, nor is it intended to, waive any policy terms or conditions that Travelers determines are now or in the future will be relevant to this claim and expressly reserves the right to deny coverage for any valid reason under the policy or at law.

This decision is based on the currently known information. If you are aware of any new or different information or documentation that might lead us to reconsider our decision, please contact me immediately.

Please review the Legal Action Against Us condition within your policy, as it contains important information about the period of time in which you may bring legal action. Enclosed with this letter are additional disclosures that may be required in your jurisdiction.

Although we regret that we were unable to be of additional assistance to you, we hope that this letter provides you with a clear understanding of the basis for our conclusion that this loss is not covered.

If you have any questions, please contact us at 1-877-872-8228 or [NCCenter@travelers.com](mailto:NCCenter@travelers.com).

Sincerely,

Matt Enerle

**Phone:** (877) 872-8228 Ext: 8022

**Fax:** (800) 688-1493

**Email:** [nccenter@travelers.com](mailto:nccenter@travelers.com)

CC: Seubert & Associates Inc.

Enclosure

## STATE DISCLOSURES

**California**

The State of California requires us to provide the following information.

- Subrogation: We will not pursue recovery of the damages from any parties that may be responsible for the claimed loss - pursuing this would be your responsibility.
- If you believe all or part of the claim has been wrongfully denied or rejected, you may have your claim reviewed by the California Department of Insurance, Consumer Services Division, 300 South Spring Street, South Tower, Los Angeles, CA 90013, (800-927-4357).
- Suit Limitation: Please review the Legal Action Against Us condition which can be found in the **DELUXE PROPERTY COVERAGE FORM (DX T1 00 11 12), page number 34**. This condition states, in part, that the time limit for bringing action is 2 years after the date of loss.

Please note the time between the date this claim was reported to us and the date of a denial of coverage is not included in the Suit Limitation period. Please understand that we cannot give advice regarding your legal rights. If you have questions regarding the time within which a lawsuit may be brought against us, or any other questions about legal rights regarding the policy or this claim, you may wish to seek legal counsel at your own expense.

**Connecticut**

The State of Connecticut requires us to provide the following information.

Suit Limitation: Please review the Legal Action Against Us condition, which can be found in the **DELUXE PROPERTY COVERAGE FORM (DX T1 00 11 12), page number 34**. This condition states in part that the time limit for bringing action is **2 years** after the date of loss.

Please note that if your claimed loss occurred over a period of time rather than on one specific date, the "date of loss" for purposes of the Suit Against Us provision may not be the date of loss that may be shown on correspondence you receive from us regarding your claim.

Also, please understand that we cannot give advice regarding your legal rights. If you have questions regarding the time within which a lawsuit may be brought against us or any other questions about legal rights regarding the policy or your claim, you may wish to seek legal counsel at your own expense.

If you do not agree with this decision, you may contact the Division of Consumer Affairs within the Insurance Department at the Connecticut Insurance Department, Consumer Affairs Division, P.O. Box 816, Hartford, CT 06142-0816 or by telephone: (800) 203-3447 (Connecticut only); (860) 297-3900 (Hartford area or outside of Connecticut). You may contact the Division by e-mail at [ctinsdept.consumeraffairs@po.state.ct.us](mailto:ctinsdept.consumeraffairs@po.state.ct.us).

**Illinois**

The State of Illinois requires us to provide the following information.

Part 919 of the Rules of the Illinois Department of Insurance requires that our company advise you that, if you wish to take this matter up with the Illinois Department of Insurance, it maintains a Consumer Division in Chicago at 122 S. Michigan Ave., 19th Floor, Chicago, Illinois 60603 and in Springfield at 320 West Washington Street, Springfield, Illinois 62767.

**Maryland**

The State of Maryland requires us to provide the following information.

Having received notice of your claim, we are required by Maryland law to advise you there may be a statute of limitations applicable to claims arising out of the insurance contract. Other states laws where applicable may vary.

**Nebraska**

The State of Nebraska requires us to provide the following information.

We are also required to advise you that you may have your claim reviewed by the Nebraska Department of Insurance at P.O. Box 82089, Lincoln, NE 68501-2089 (Tel: 402-471-2201 or Toll Free Hotline: 1-877-564-7323).

**State of New Hampshire.**

Please review the Legal Action Against Us condition of your policy as it contains important information about the period of time in which you may bring legal action. In addition, please be aware that any action based upon a denial of coverage shall be barred by law if not commenced within 12 months from the date of our written denial of coverage.

The State of New Hampshire requires us to provide the following information.

**We will, of course, be available to you to discuss the position we have taken. You may reach us toll free at 1-877-872-8228. If you are a New Hampshire resident; if your policy insures property located in New Hampshire; or if you have been injured/your property has been damaged by a New Hampshire resident and you wish to take this matter up with the New Hampshire Insurance Department, it maintains a consumer services division to assist consumers with complaints at 21 South Fruit Street, Suite 14, Concord, NH, 03301. The New Hampshire Insurance Department can be reached, toll free, by dialing 1-800-852-3416.**

**New Jersey**

The State of New Jersey requires us to provide the following information.

**NOTICE  
CLAIMS INTERNAL APPEAL PROCEDURE**

**THE FOLLOWING APPEAL PROCEDURE IS AVAILABLE FOR ALL CLAIMS  
EXCEPT  
AUTOMOBILE INSURANCE PERSONAL INJURY CLAIMS**

New Jersey law and regulation provides claimants with the right to appeal disputed insurance claims when the “final” offered claim settlement remains unacceptable to the claimant. A disputed insurance claim is any offer of settlement made by the company which is, in whole or in part, rejected or refused by the claimant.

In the event that you wish to appeal a disputed claim, you must submit a written request to the company at the address shown below. All appeals will be rendered within 10 business days from receipt of the appeal provided that no additional information is required of the panel, and a final written determination will be mailed to you no later than 3 business days after the final determination is made.

Internal appeals must be sent by United Postal Service, via facsimile transmission or delivered personally to the following address to ensure prompt and accurate handling:

Travelers  
Attn: Internal Appeals Panel  
PO Box 430  
Buffalo, NY 14240-0430  
Fax: 888-256-3308

Your request must include the basis on which you believe the final offered claim settlement is unacceptable and include all supporting documentation you would like reviewed by the company’s Internal Appeals Panel prior to rendering their determination.

After the hearing, if you are not satisfied with the final determination rendered by the Internal Appeals Panel, you may then appeal the decision to the Office of the Insurance Claims Ombudsman at the address below:

Office of the Insurance Claims Ombudsman  
Department of Banking and Insurance  
P.O. Box 472  
Trenton, New Jersey 08625-0472  
Telephone: (800) 446-7467  
Telefax: (609) 292-2431  
E-mail: Ombudsman@dobi.state.nj.us

**New York**

Please note, your policy contains a suit limitation period of two years from the date of the loss in which to file suit regarding this claim.

The State of New York requires us to provide the following information.

**“Should you wish to take this matter up with the New York State Department of Financial Services, you may file with the Department either on its website at <http://www.dfs.ny.gov/consumer/fileacomplaint.htm> or you may write to or visit the Consumer Assistance Unit, Financial Frauds and Consumer Protection Division, New York State Department of Financial Services, at: One State Street, New York, NY 10004; One Commerce Plaza, Albany, NY 12257; 1399 Franklin Avenue, Garden City, NY 11530; or Walter J. Mahoney Office Building, 65 Court Street, Buffalo, NY 14202.”**

**Rhode Island**

The State of Rhode Island requires us to provide the following information:

We will be available to you to discuss the position we have taken. Should you, however, wish to contact the Rhode Island Department of Business Regulation, you may do so at the address listed below. In certain limited circumstances the Department may have jurisdiction pursuant to R.I. Gen. Laws. § 27-9.1-6 and therefore, you may be able to have the matter reviewed by the Department. The Department of Business Regulation does not have authority to settle or arbitrate claims, determine liability or order an Insurer to pay a claim. Rhode Island Department of Business Regulation, Insurance Division, 1511 Pontiac Avenue, Cranston, RI 02920. The Rhode Island Department of Business Regulation, Insurance Division can be contacted by telephone at (401)462-9520.

**Vermont**

Please review the Legal Action Against Us condition of your policy as it contains important information about the period of time in which you may bring legal action. In addition, please be aware that any action based upon a denial of coverage shall be barred by law if not started within one year after the occurrence causing loss or damage.

**West Virginia**

The State of West Virginia requires us to provide the following information.

We will, of course, be available to you to discuss the position we have taken but should you wish to review our decision with the West Virginia Office of the Insurance Commissioner (WVOIC) you can contact them by mail at Consumer Service Division PO Box 50540, Charleston, West Virginia 25305-0540 via their website at <http://www.wvinsurance.gov/> or toll free at 888-879-9842.