Company: The Harford Mutual Insurance Company

Policy Number: 9159689 **Renewal of:** 9149090

Named Insured and Mailing Address

LAKESTONE VILLAGE TOWNHOME OWNERS ASSOCIATION, INC.
P.O. BOX 1149
C/O GRANDCHESTER MEADOWS
APEX, NC 27502

Agency Name and Address

9033-BAS RAY C., INC.
DBA CAROLINA INSURANCE GROUP
1740 PENINSULA GLEN CT
FUQUAY-BARINA, NC 27526
9192347868

POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

Applicable to the following policies and coverages if included:

Commercial Property, Commercial Liability, Commercial Inland Marine, Commercial Crime, excluding Theft & Burglary, Businessowners Policies, and Commercial Umbrella Policies

Coverage for acts of terrorism is included in your policy. You are hereby notified that under the Terrorism Risk Insurance Act, as amended in 2015, the definition of act of terrorism has changed. As defined in Section 102(1) of the Act: The term "act of terrorism" means any act or acts that are certified by the Secretary of the Treasury - in consultation with the Secretary of Homeland Security, and the Attorney General of the United States - to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of 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. Under your coverage, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Terrorism Risk Insurance Act, as amended. However, your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States Government generally reimburses 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019 and 80% beginning on January 1, 2020, of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The Terrorism Risk Insurance Act, as amended, contains a $100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds $100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed $100 billion, your coverage may be reduced.

The portion of your annual premium that is attributable to coverage for acts of terrorism included in this policy is $ 2 and does not include any charges for the portion of losses covered by the United States government under the Act.

REJECTION OF TERRORISM INSURANCE

UNDER FEDERAL LAW, YOU HAVE THIRTY (30) DAYS TO CONSIDER THIS OFFER OF COVERAGE FOR TERRORIST ACTS. YOU MAY REJECT COVERAGE BY SIGNING THE STATEMENT BELOW AND RETURNING THIS NOTICE. ONCE WE RECEIVE THE SIGNED REJECTION STATEMENT, TERRORISM EXCLUSIONS WILL BE ADDED TO YOUR POLICY AND YOU WILL NOT BE COVERED FOR LOSSES ARISING FROM TERRORIST ACTS.

☐ I hereby decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism under this policy.

Signature of Policyholder	Printed Name of Policyholder	Date

This policyholder notice provides no coverage nor can it be construed to replace any provision of your policy. The coverage provided by your policy for certified acts of terrorism and all other coverage is limited by the exclusions, limits, terms and conditions of your policy. If there is any conflict between the policy and this notice, the provisions of the policy shall prevail. Nothing in this notice should be construed as an offer to reinstate coverage for a cancelled/expired policy.

HARFORD MUTUAL

COMMITTED TO MUTUAL SUCCESS

Policy #: 9159689

Agent: RAY C., INC.

Issued to: LAKESTONE VILLAGE TOWNHOME OWNERS ASSOCIATION, INC.

Phone #: 9192347868

Thank you for placing your insurance coverage with Harford Mutual. Your business is very important to us. If you have any questions regarding policy coverages or need to make any changes, please contact your Agent listed above. If you have any billing questions, please contact Accounting Department Customer Service at the phone number listed below.

Type of Policy:	Commercial Lines
Billing:	Direct Bill
Annual Premium:	$603
Billing Customer ID:	199084
Payment Plan:	X (0 payments)
Accounting Dept Customer Service:	(866) 377-1896
Policy Period:	02/01/2017 to 02/01/2018

** IMPORTANT BILLING INFORMATION **

Please note that this document is not your premium statement. Your agent has selected Harford Mutual to bill you directly for the periodic premium payments due for some or perhaps all of your insurance policies. Your premium statement will be mailed to you from Harford Mutual. The premium statement is the only invoice that you will receive for these policies. You will receive one combined easy-to-read statement for the various policies your agent has selected for this plan.On the back of the premium billing statement you will find the Payment Plan Schedule for all policies that are being billed. This schedule was produced based upon all premium transactions processed as of the time the statement was prepared.

INSURED COPY

9033-BAS

Understanding the Audit Process Could Save You Money

By The Harford Mutual Insurance Companies

1. What is an audit? A report of collected information about an insured's operation and accounting records used to determine the actual insurance exposures for the coverages provided.

2. Why and when is it necessary? The original premium on the policy is an estimated premium. The final audit determines the actual premium. When actual exposures differ from the estimated exposures, an adjustment must be made to the premium of the expired policy.

3. What insurance coverages require an audit?
   - General Liability
     - Premises/Operations Liability
     - Products/Completed Operations
   - Garage Liability
   - Businessowners Liability
   - Workers' Compensation

4. How should your records be kept? Proper record keeping will permit the auditor to apply any allowable credits to your final premium. When the auditor requests payroll information, this includes *remuneration*. *Remuneration* means money, or any substitute for money, and includes the following:

Wages	Commissions	Bonuses	Overtime Pay
Holiday Pay	Profit Sharing Plans	Sick Pay	Payment of Piece Work
Vacation Pay	Statutory Payments	Tool Allowances	Value of Board, Lodging
Tips	Store Certificates	Other Substitutes	

   Overtime: In most states, the amount paid in excess of straight time pay can be deducted if the excess can be verified in your records. You must maintain your records to show overtime pay separately by employee and in summary by classification of work.

   Division of Payroll: Generally, a division of an individual employee's payroll to more than one classification is not allowed, except for construction or erection workers. In these cases, the payroll may be allocated to each type of work performed if proper records are kept. Your records must show the number of hours and amount of payroll for each type of work. Without an adequate breakdown, the full payroll must be charged to the highest-rated classification.

   Officers/Partners/Sole Proprietors: Depending on state law, officers are usually covered for Workers Compensation benefits unless your state allows an exclusion endorsement. Partners and sole proprietors are usually not covered for benefits unless your state allows an inclusion endorsement. You should report payroll for each covered officer, partner or sole proprietor. Payroll may be subject to a minimum and maximum remuneration per annum, which is the lowest and highest payroll amount we will use to calculate premium. The state rating bureau establishes the minimum and maximum remuneration, which may change annually. For General Liability and Businessowners policies, payroll exceptions for officers, partners and sole proprietors may apply. Payroll may be subject to a flat remuneration per annum. This payroll exception will be used to calculate premium and may change annually.

   Subcontractors: Certificates of insurance are required for all subcontractors as documentation that there is coverage in effect during the time that the work is being performed. Subcontractors must carry Liability limits of at least $500,000 and Workers Compensation limits of $100,000/$500,000/$100,000. If there are no certificates available, it will be necessary to classify the subcontractors as employees and the appropriate premium charges will be made.

   For Workers' Compensation, if the subcontractor is an officer, partner or sole proprietor with no employees and exempt from Workers Compensation coverage, a certificate of insurance showing General Liability insurance with limits of liability of $500,000 or more is required. Without certificates of insurance, it will be necessary to classify these subcontractors as employees. Additional documentation may be necessary depending on state requirements.

5. Who conducts the audit? If the conditions of your policy require a physical audit, a Premium Auditor will contact you for an appointment. The Premium Auditor will examine and audit all records that relate to your policy.

Property and Casualty Insurance
Since 1842

The Harford Mutual Insurance Company

THE
HARFORD MUTUAL
INSURANCE COMPANIES

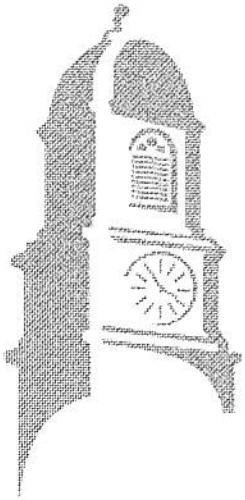
PHONE 1-410-838-4000
FAX NO. 1-410-838-8675

Policy #: 9159689

Agent: RAY C., INC.

Issued to: LAKESTONE VILLAGE TOWNHOME OWNERS ASSOCIATION, INC.

Phone #: 9192347868



Commercial Lines Policy

24-Hour Claims Reporting Line
1-877-445-5826*
*For reporting of new claims only

THIS POLICY JACKET WITH THE COMMON POLICY DECLARATIONS, COMMON POLICY CONDITIONS, COVERAGE PART DECLARATIONS(S),COVERAGE PART COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETES THIS POLICY

In Witness Whereof, we have caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by our authorized representative.

Secretary

President

HARFORD MUTUAL

COMMITTED TO MUTUAL SUCCESS

Customer Privacy Policy

Since 1842, Harford Mutual Insurance Company has been committed to the mutual success of our policyholders, agencies and local community. It is because of this commitment that we are dedicated to protecting the confidentiality of our customers' Nonpublic Personal Information (NPI). We take this opportunity to share our procedures and policies designed to safeguard your information, which may be obtained in the course of our business relationship with you.

This notice serves to explain: what type of information we collect; how we collect it; what we do with it after we collect it; how we safeguard your privacy; and how you may obtain information, if any, about your NPI. We will inform you concerning these policies in this notice and every year that you remain our customer.

Our Privacy Policy

- We do not sell your NPI.
- We do not share your NPI with nonaffiliated third parties other than as necessary to service your policy or claim.
- We do not share your health or financial information, except as authorized by law.
- We use your NPI only to service your policies, claims and to meet your needs as they have been described to us.
- We will require that persons or organizations providing goods or services to you on our behalf protect the confidentiality of your NPI.
- We protect your NPI regardless of whether you are a current or a former customer.
- We maintain physical, electronic and procedural safeguards to protect your NPI from disclosure.

How We Collect Information

We collect and retain information about you to provide you with the coverage, product, or service you request, or to service your account as permitted by law, and as needed to conduct business. We collect your NPI from the following sources:

- Your application for insurance or similar forms;
- Consumer reporting agencies, motor vehicle records, credit reports, claims history, loss information reports, court records or other public records; property inspections to verify value and condition for property insurance; or
- Your insurance agent.

Information We Collect About You

Harford Mutual gets most of its information from your application for insurance or from your insurance agent. This includes, for example, your name; address; social security number; financial account or credit card information; vehicle type; credit based insurance score; a report about your coverage and claims history with other companies and motor vehicle records, to name a few.

For property and liability insurance, we may send someone to inspect your property and verify the value and condition of your property. A photo of any property to be insured may be taken and retained. We may also obtain reports concerning the square footage of your property from companies that collect such data.

For workers' compensation insurance, we may send someone to perform an audit or accounting of your business records to ensure that you are getting the appropriate premium charge.

What We Do With the Information Collected

Harford Mutual uses your information only as permitted by law. We may use your information to: service products you have purchased; underwrite your policy; process claims; protect against fraud; and comply with legal requirements.

Information collected is maintained in either our policy records or in your agent's files. We may review it to evaluate requests for insurance coverage or to determine your insurance rates. Your information may also be used to decide whether to issue a renewal policy or settle a claim.

If coverage is declined, or if your rates increase because of information we received from a consumer report, we will tell you as required by the Fair Credit Reporting Act.

200 NORTH MAIN STREET, BEL AIR, MARYLAND 21014-3544 ■ T (410) 838 4000 F (410) 838 8675 ■ HARFORDMUTUAL.COM

Information Disclosure

We will not disclose information about you without your written consent unless the disclosure is necessary to conduct our business. By law, we can share information about you without your permission under certain circumstances to certain people and organizations. Examples include:

- Our affiliated companies.
- Independent claim adjusters, appraisers, contractors, auto repair shops, investigators and attorneys in order to investigate, defend or settle a claim involving you.
- Your agent.
- Mortgagees, lienholders, lessors, loss payees, or other persons shown on our records as having a legal or beneficial interest in your policy or claim proceeds.
- Consultants or other service providers that perform business functions for us such as mailing or marketing services.
- Our reinsurance companies.
- Businesses that conduct research for us such as actuarial or underwriting studies.
- Other insurance companies.
- Consumer reporting agencies in connection with any application, policy or claim involving you.
- Insurance support organizations that collect information to detect and prevent insurance crimes or fraud.
- Medical care institutions or professionals to verify coverage or claims-related services.
- Insurance regulatory agencies in connection with the regulation of our business.
- Law enforcement or other governmental authorities.
- By order of subpoena, warrant or other court order as required by law.

We do not otherwise give information about you to people or organizations that would use the information to contact you about their product or services.

How We Protect Your Information

Harford Mutual maintains physical, electronic and procedural safeguards to protect your NPI. Access to customer records is restricted to employees with a business reason for knowing such information in order to provide products and services to you. Employees are trained to protect customer privacy by adhering to the privacy responsibilities outlined by the company. Should you cease being a customer, we will continue to protect your personal information in the same manner. At Harford Mutual, our employees are responsible for upholding a Code of Conduct and Confidentiality policy that requires them to keep confidential all NPI obtained in the course of our business.

Your Rights

You have the right to know what information we have about you and to receive a copy upon request. Despite your request, we may not be able to disclose certain types of information collected when evaluating claims or possible lawsuits. In this regard, we will not send you any medical information we have received about you from a doctor or other health care provider due to certain health information protection laws. Rather, you should contact the doctor or health care provider directly to obtain this information.

Also, we will not send you any reports provided by any consumer reporting agency. Instead, we will give you the name and address of any consumer reporting agency that prepared the report about you, so that you can contact them for a copy.

To submit your request for other types of information, please send your complete name, address and policy number to:

Harford Mutual Insurance Company
Privacy Inquiries
Office of General Counsel & Director of Compliance
200 North Main Street
Bel Air, MD 21014

Within thirty (30) business days of receipt of your written request, we will disclose to you the NPI about you in our files. You may receive a copy at a reasonable charge. We will tell you with whom we have shared your NPI within the past two (2) years, or for the time period required by state law. If you believe your file should be corrected, please contact us in writing with the request. We will make the change or provide an explanation of our refusal to do so.

Thank you for choosing Harford Mutual for your insurance protection. We work hard to preserve the confidentiality of your nonpublic personal information.

Our longstanding commitment to preserving your privacy continues, as does our dedication to providing personal service aimed at ensuring our mutual success. We have been in business to accomplish this goal since 1842.

The Harford Mutual Insurance Companies

Bel Air, Maryland 21014-3544

Company: The Harford Mutual Insurance Company

Policy Number: 9159689 **Renewal of:** 9149090

COMMERCIAL LINES POLICY

Named Insured and Mailing Address

LAKESTONE VILLAGE TOWNHOME OWNERS
ASSOCIATION, INC.
P.O. BOX 1149
C/O GRANDCHESTER MEADOWS
APEX, NC 27502

Agency Name and Address

9033-BAS
RAY C., INC.
DBA CAROLINA INSURANCE GROUP
1740 PENINSULA GLEN CT
FUQUAY-BARINA, NC 27526
9192347868

Policy Period: From 02/01/2017 to 02/01/2018 at 12:01 A.M. Standard Time at your mailing address shown above.

In return for the payment of the premium and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy.

FORM OF BUSINESS: BUSINESS ORGANIZATION OTHER THAN PARTNERSHIP OR JOINT VENTURE
BUSINESS DESCRIPTION: HOMEOWNERS ASSOC

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

	PREMIUM
Commercial General Liability Coverage Part.....$	231
Directors and Officers Liability Coverage Part.....$	370
Terrorism Risk Insurance Program Reauthorization Act of 2015 (Certified)$	2
Premium shown is payable annually.....$	603

FORMS AND ENDORSEMENTS: See Form Schedule

THESE DECLARATIONS TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE PART DECLARATION(S), COVERAGE PART COVERAGE FORMS AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF COMPLETES THIS POLICY.

Includes copyrighted material of ISO Properties, Inc., with its permission.
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(1) 1997/11/20-1.00
ISSUE DATE: 12/19/2016 #1

Countersigned: _____
(Authorized Representative) (Date)

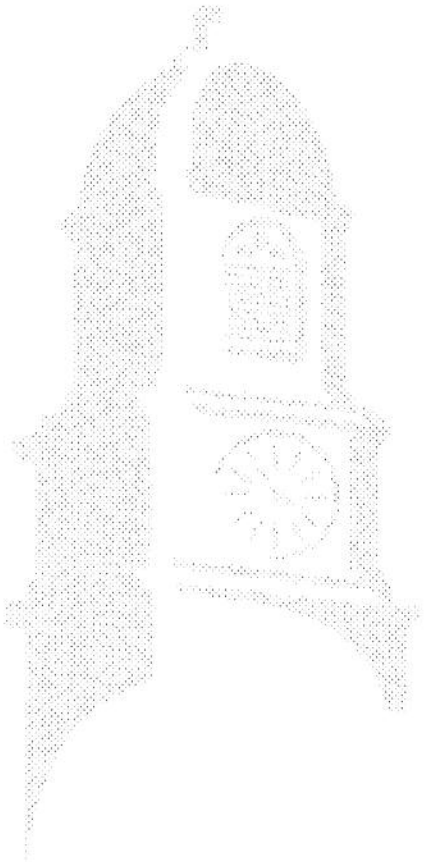
IMPORTANT NOTICES TO POLICYHOLDERS

ILMS003	(0115)	POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE
ILMS016	(1015)	CUSTOMER PRIVACY POLICY
ILMS11	(0604)	ADVISORY NOTICE TO POLICYHOLDERS - OFAC
ILMS13-2		UNDERSTANDING THE AUDIT PROCESS COULD SAVE YOU MONEY
ILN001	(0903)	FRAUD STATEMENT

COMMON POLICY FORM SCHEDULE

FORMS AND ENDORSEMENTS APPLYING TO AND MADE A PART OF THIS POLICY AT TIME OF ISSUE:

IL0017	(1198)	COMMON POLICY CONDITIONS
IL0269	(0908)	NORTH CAROLINA CHANGES - CANCELLATION AND NONRENEWAL



The Harford Mutual Insurance Companies

Bel Air, Maryland 21014-3544

Company: The Harford Mutual Insurance Company

Policy Number: 9159689 **Renewal of:** 9149090

GENERAL LIABILITY COVERAGE
PART DECLARATIONS

Named Insured and Mailing Address

LAKESTONE VILLAGE TOWNHOME OWNERS
ASSOCIATION, INC.
P.O. BOX 1149
C/O GRANDCHESTER MEADOWS
APEX, NC 27502

Agency Name and Address

9033-BAS RAY C., INC.
DBA CAROLINA INSURANCE GROUP
1740 PENINSULA GLEN CT
FUQUAY-BARINA, NC 27526
9192347868

Policy Period: From 02/01/2017 to 02/01/2018 at 12:01 A.M. Standard Time at your mailing address shown above.

In return for the payment of the premium and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy.

LIMITS OF INSURANCE

Each Occurrence	$ 1,000,000
Damage to Premises Rented To You	$ 100,000 (Any one fire)
Medical Expense	$ 5,000 (Any one person)
Personal & Advertising Injury	$ 1,000,000 (Any one person or organization)
General Aggregate	$ 2,000,000
Products/Completed Operations Aggregate	$ 2,000,000

ADDRESS OF ALL PREMISES YOU OWN, RENT OR OCCUPY: See Liability Schedule

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FORMS AND ENDORSEMENTS: See Form Schedule

PREMIUM: TOTAL ADVANCE PREMIUM: $171

LIABILITY SCHEDULE:

Classification: Premium Basis: Per Unit
68500 Townhouses or Similar Associations (association risk only)

Location Information:
467 DUCHART LN
FUQUAY-VARINA, NC 27526

Coverage	Exposure	Rate	Premium
Premises/Operations	56	$ 3.047	$ 171
Products/Completed Operations	56		Included*

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*Products/Completed Operations are subject to the General Aggregate Limit

(3) POLICY: 9159689 1997/11/20-1.00
ISSUE DATE: 12/19/2016 #1

IMPORTANT NOTICES TO POLICYHOLDERS

CGMS002 (1116) GENERAL LIABILITY ENDORSEMENTS ADVISORY NOTICE TO POLICYHOLDERS
ILMS013 (0416) POLICYHOLDER NOTICE REGARDING CYBER LIABILITY COVERAGE
ILMS014 (0416) NOTICE REGARDING CLAIMS-MADE COVERAGE ON YOUR POLICY
ILMS015 (0416) POLICYHOLDER NOTICE REGARDING EMPLOYMENT PRACTICES LIABILITY COVERAGE
ILMS93-1(0908) LEAD LIABILITY EXCLUSION

GENERAL LIABILITY FORM SCHEDULE

FORMS AND ENDORSEMENTS APPLYING TO AND MADE A PART OF THIS POLICY AT TIME OF ISSUE:

CG0001 (0413) COMMERCIAL GENERAL LIABILITY COVERAGE FORM
CG2106 (0514) EXCLUSION-ACCESS/DISCLOSURE W/LTD BODILY INJURY EXCEPTION
CG2109 (0615) EXCLUSION - UNMANNED AIRCRAFT
CG2132 (0509) COMMUNICABLE DISEASE EXCLUSION
CG2167 (1204) FUNGI OR BACTERIA EXCLUSION
CG2171 (0115) EXCLUSION OF OTHER ACTS OF TERRORISM COMMITTED OUTSIDE THE US; CAP
CG2176 (0115) EXCLUSION OF PUNITIVE DAMAGES RELATED TO A CERTIFIED ACT OF TERRORISM
CG2196 (0305) SILICA OR SILICA-RELATED DUST EXCLUSION
CG2426 (0413) AMENDMENT OF INSURED CONTRACT DEFINITION
CGHG06 (1116) EXCLUSION - LEAD CONTAMINATION
CGHG21 (0105) ASBESTOS EXCLUSION ENDORSEMENT
CGHG29 (0413) LIABILITY ADDITIONAL COVERAGE ENDORSEMENT
CGHG31 (0413) TOBACCO HEALTH HAZARD EXCLUSION
IL0021 (0908) NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT (BROAD FORM)
ILHG09 (0416) NORTH CAROLINA AMENDATORY ENDORSEMENT-CYBER LIABILITY
CGHG24 (1105) ADDITIONAL INSURED - HOMEOWNERS ASSOCIATIONS
CGHG80 (0416) EMPLOYMENT PRACTICES LIABILITY ENDORSEMENT.....50.00
****THIS COVERAGE IS CLAIMS MADE, READ YOUR POLICY CAREFULLY****
****DEFENSE COSTS ARE WITHIN POLICY LIMITS****
Each Claim Limit: $100,000
Aggregate Limit: $100,000
Deductible Each Claim: $5,000 Each Claim
Retroactive Date: 02/01/2017

ILHG07 (0416) CYBER LIABILITY ENDORSEMENT CLAIMS-MADE & REPORTED COVERAGE....10.00
****THIS COVERAGE IS CLAIMS MADE, READ YOUR POLICY CAREFULLY****
****DEFENSE COSTS ARE WITHIN POLICY LIMITS****
Retroactive Date: 02/01/2017

OTHER CHARGES APPLIED TO THIS POLICY

Terrorism Risk Insurance Program Reauthorization Act of 2015 - Certified Acts -
Premium Charged.....1.00

The Harford Mutual Insurance Companies

Bel Air, Maryland 21014-3544

Company: The Harford Mutual Insurance Company

Policy Number: 9159689 **Renewal of:** 9149090

DIRECTORS AND OFFICERS LIABILITY
FOR NON-PROFIT ORGANIZATIONS COVERAGE PART DECLARATIONS

Named Insured and Mailing Address

LAKESTONE VILLAGE TOWNHOME OWNERS ASSOCIATION, INC.
P.O. BOX 1149
C/O GRANDCHESTER MEADOWS
APEX, NC 27502

Agency Name and Address

9033-BAS RAY C., INC.
DBA CAROLINA INSURANCE GROUP
1740 PENINSULA GLEN CT
FUQUAY-BARINA, NC 27526
9192347868

Policy Period: From 02/01/2017 to 02/01/2018 at 12:01 A.M. Standard Time at your mailing address shown above.

In return for the payment of the premium and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy.

****
* THIS COVERAGE IS ON A CLAIMS MADE BASIS *
* THIS COVERAGE IS ON A CLAIMS MADE BASIS *
* THIS COVERAGE IS ON A CLAIMS MADE BASIS *
****
* DEFENSE COSTS ARE INCLUDED WITHIN POLICY LIMITS. *
* PLEASE READ YOUR POLICY CAREFULLY *
****

LIMITS OF INSURANCE (INCLUSIVE OF DEFENSE COSTS)

Each Wrongful Act.....$ 1,000,000
Annual Aggregate Limit.....$ 1,000,000

RETENTION: 5% of each loss (maximum is $10,000)

RETROACTIVE DATE: 12/01/2011

FORMS AND ENDORSEMENTS: See Form Schedule

PREMIUM: TOTAL ADVANCE PREMIUM: $370

CLASSIFICATION SCHEDULE:

Classification: Premium Basis: Per Unit
73145 Directors and Officers - Homeowners Associations

Location Information: Retro Date: 12/01/2011
467 DUCHART LN
FUQUAY-VARINA, NC 27526

Coverage	Exposure	Premium
Directors and Officers Liability	56	$ 370

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(5) POLICY: 9159689 1997/11/20-1.00
ISSUE DATE: 12/19/2016 #1

IMPORTANT NOTICES TO POLICYHOLDERS

ILMS014 (0416) NOTICE REGARDING CLAIMS-MADE COVERAGE ON YOUR POLICY

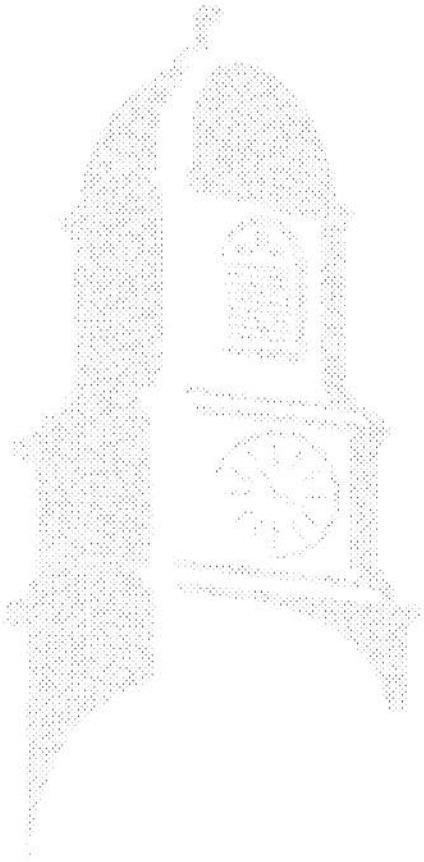
DIRECTORS AND OFFICERS LIABILITY FORM SCHEDULE

FORMS AND ENDORSEMENTS APPLYING TO AND MADE A PART OF THIS POLICY AT TIME OF ISSUE:

CG2171 (0115) EXCLUSION OF OTHER ACTS OF TERRORISM COMMITTED OUTSIDE THE US; CAP
CG2176 (0115) EXCLUSION OF PUNITIVE DAMAGES RELATED TO A CERTIFIED ACT OF TERRORISM
CGHG09 (1116) DIRECTORS AND OFFICERS LIABILITY-FOR NONPROFIT ORGANIZATIONS
CGHG18 (0200) NORTH CAROLINA CHANGES - EXTENDED REPORTING PERIOD
CGHG21 (0105) ASBESTOS EXCLUSION ENDORSEMENT

OTHER CHARGES APPLIED TO THIS POLICY

Terrorism Risk Insurance Program Reauthorization Act of 2015 - Certified Acts -
Premium Charged.....1.00



ADVISORY NOTICE TO POLICYHOLDERS

U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC")

NO COVERAGE IS PROVIDED BY THIS POLICYHOLDER NOTICE NOR CAN IT BE CONSTRUED TO REPLACE ANY PROVISIONS OF YOUR POLICY. YOU SHOULD READ YOUR POLICY AND REVIEW YOUR DECLARATIONS PAGE FOR COMPLETE INFORMATION ON THE COVERAGES YOU ARE PROVIDED.

THIS NOTICE PROVIDES INFORMATION CONCERNING POSSIBLE IMPACT ON YOUR INSURANCE COVERAGE DUE TO DIRECTIVES ISSUED BY OFAC.

PLEASE READ THIS NOTICE CAREFULLY

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

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

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

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

 Copyright, Insurance Services Office, Inc. 2003

FRAUD STATEMENT

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

© ISO Properties, Inc., 2003

GENERAL LIABILITY ENDORSEMENTS ADVISORY NOTICE TO POLICYHOLDERS

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

Carefully read your policy, including the endorsements attached toyour policy.

This Notice provides information concerning the following revised endorsements, which may apply to your renewal policy being issued by us. The major areas within the policy that broaden or reduce coverage, and other changes, are highlighted below. This notice does not reference every editorial change made in your policy.

FOR USE WITH THE COMMERCIAL GENERAL LIABILITY COVERAGE PART:

CGHG03 Funeral Directors or Morticians Professional Liability

A. Reductions Of Coverage

1. The insuring agreement has been clarified to change "with respect to activities necessary or incidental to the operation of a mortuary by the named insured" to "with respect to activities necessary or incidental to the rendering or failure to render professional services in connection with the insured's business as a funeral director." Although this was the original intent of the endorsement, this could be considered a reduction in coverage.

B. Broadenings Of Coverage, Clarifications and Other Changes

1. "Personal Injury" was removed from the insuring agreement of Coverage A and a separate insuring agreement has been added for Coverage B which now includes "personal and advertising injury" arising out of the rendering of or failure to render professional services of a funeral director while in the course of the insured's practice as a funeral director.

CGHG06 Exclusion – Lead Contamination

A. Reductions Of Coverage

1. Excluded occurrences at the insured premises has been amended to exclude occurrences at or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to any insured.
2. The "bodily injury" arising out of lead in any form exclusion has been expanded to exclude lead contamination, use, handling or contact with lead.

B. Broadenings Of Coverage, Clarifications and Other Changes

1. Exclusions for "personal injury" and "advertising injury" have been combined to read "personal and advertising injury".

FOR USE WITH THE EMPLOYEE BENEFITS LIABILITY COVERAGE PART:

CGHG08 Employee Benefits Liability Coverage Form

A. Reductions Of Coverage

1. Dishonest, Fraudulent, Criminal or Malicious Act has been amended to include damages arising out of any intentional act, error or omission, committed by any insured, including the willful or reckless violation of any statute.
2. The Investment Advice Exclusion has been amended to exclude errors in providing information on past performance of investment vehicles.
3. The Taxes, Fines or Penalties Exclusion will now exclude fines, civil penalties or taxes imposed under the Internal Revenue Code or any similar state or local law.

4. An Available Benefits Exclusion has been added to exclude any "claim" for benefits to the extent that such benefits are available, with reasonable effort and cooperation of the insured, from the applicable funds accrued or other collectible insurance.
5. An Employment-Related Practices Exclusion has been added for damages arising out of wrongful termination of employment, discrimination, or other employment- related practices.
6. Supplementary Payments for court costs do not include attorneys' fees or attorneys' expenses taxed against the insured. There are no other obligations or liability to pay sums or perform acts or services unless explicitly provided for under Supplementary Payments.
7. Some definitions have been amended which could create a difference in the coverage previously provided.

B. Broadenings Of Coverage, Clarifications and Other Changes

1. The Schedule has been removed from the form because the information is shown in the Declarations Page.
2. A claim based upon 'the insured's failure to comply with any law" has been clarified to read "arising out of your failure".
3. Item B. Exclusions has been amended to include headers to clarify the different types of Exclusions.
4. "Personal Injury" or "advertising injury" has been amended to "personal and advertising injury".
5. The Exclusion related to the Employee Retirement Income Security Act of 1974 has been restated to clarify its intent.
6. Supplementary Payments for loss of earnings has been increased from $100 to $250 a day because of time off work.
7. Who Is An Insured has been amended to include the spouses of members and partners but only with respect to the conduct of your business.
8. Who Is An Insured has been amended to include a limited liability company, including members with respect to the conduct of your business and managers with respect to their duties as your managers.
9. Who Is An Insured has been amended to include any persons, organizations or "employees" having proper temporary authorization to administer your "employee benefits programs" if you die, but only until your legal representative is appointed. It is also amended to add your legal representative if you die, but only with respect to duties as such.
10. Duties in the Event of An Act, Error or Omission has been amended to include "Claim" or "Suit". Notification was amended to include what the act, error or omission was, when it occurred, and anyone who may suffer damages as a result of the act, error or omission.
11. The Definitions of "Administration", "Employee Benefits Programs", "Personal and Advertising Injury" and "Suit" have been amended.
12. Definitions for "Claim", "Employee", "Leased Worker" and "Temporary Worker" have been added.
13. The Limits of Insurance section has been clarified to add that the Limits of Insurance in the Declarations is the most we will pay regardless of the number of acts, errors or omissions or benefits included in your "employee benefits programs".
14. The terms of this insurance with respect to duties of any other involved insured in the event of an act, error or omission, "claim" or "suit" will apply irrespective of the application of the deductible.
15. Editorial clarifications have been made to the coverage conditions.

FOR USE WITH THE DIRECTORS AND OFFICERS LIABILITY FOR NONPROFIT ORGANIZATIONS COVERAGE PART:

CGHG09 Directors And Officers Liability For Nonprofit Organizations Coverage Form

A. Reductions Of Coverage

1. The exclusions for oral or written publication will now apply to oral or written publication in any manner.
2. Injury arising out of the use of another's advertising idea in your advertisement and infringing upon another's copyright trade dress or slogan in your advertisement have been added as additional Exclusions.

3. Supplementary Payments for court costs do not include attorneys' fees or attorneys' expenses taxed against the insured.
4. We will not provide an extended reporting period endorsement if the cancellation or nonrenewal of a claims-made liability endorsement or policy is due to nonpayment of premium; failure to comply with terms or conditions of this coverage or policy; or fraud.
5. It is clarified that Electronic data is not considered to be tangible property which could be a reduction in coverage.

B. Broadenings Of Coverage, Clarifications and Other Changes

1. Supplementary Payments for loss of earnings has been increased from $100 to $250 a day because of time off work.
2. Duties in the Event of Loss Arising Out of Wrongful Acts is expanded to state that notice of loss should include the names and addresses of any injured persons and witnesses.
3. If loss results in a claim against any insured, you must immediately record the specifics of the "loss" arising out of a "wrongful act" and the date received; and see to it that we receive prompt written notice of the claim as soon as practicable.
4. Extended Reporting Periods is amended to clarify that the Basic Extended Reporting Period is automatically provided without an additional charge and lasts for sixty days with respect to claims arising from "wrongful acts" or offenses not previously reported to us.
5. The Supplemental Extended Reporting Period is clarified to show that you must provide a written request to purchase within 60 days after the end of the policy period or the effective date of cancellation, whichever comes first. If the premium is paid when due, the Endorsement may not be cancelled except for Fraud. The premium for the Supplemental Extended Reporting Period will be deemed fully earned as of the date it is purchased.
6. The exclusion for injury arising from wrongful eviction is clarified to state that it will only apply if the act was committed by or on behalf of its owner, landlord or lessor.
7. The supplemental aggregate limit of insurance will now be equal to the dollar amount shown in the Declarations.

CGHG10 Supplemental Extended Reporting Period Endorsement

A. Broadenings Of Coverage, Clarifications and Other Changes

1. The Schedule has been amended to remove the Policy No.
2. Once this supplemental extended reporting period endorsement is purchased, it cannot be cancelled by "us" except for nonpayment of premium or fraud.

FOR USE WITH THE PROFESSIONAL COUNSELING FOR RELIGIOUS INSTITUTIONS LIABILITY COVERAGE PART:

CGHG14 Professional Counseling For Religious Institutions Liability Coverage Form

A. Reductions Of Coverage

1. Supplementary Payments for court costs do not include attorneys' fees or attorneys' expenses taxed against the insured.
2. The exclusions for oral or written publication will now apply to oral or written publication in any manner.

B. Broadenings Of Coverage, Clarifications and Other Changes

1. The Schedule has been removed from the form because the information is shown in the Declarations Page.
2. Supplementary Payments for loss of earnings has been increased from $100 to $250 a day because of time off work.
3. The coverage territory has been amended to include Puerto Rico.
4. Duties in the Event of Loss Arising Out of Wrongful Acts is expanded to state that notice of loss should include the names and addresses of any injured persons and witnesses.

5. If loss results in a claim against any insured, you must immediately record the specifics of the "loss" arising out of a "wrongful act" and the date received; and see to it that we receive prompt written notice of the claim as soon as practicable.
6. Legal Action Against Us has been amended to clarify that a person or organization may sue us to recover on an agreed settlement or on a final judgement against an insured, but the settlement or final judgement is no longer required to be obtained after an actual trial.
7. Other Insurance, Method of Sharing has been corrected to 'each insurer's share' instead of 'each insured's share'.

POLICYHOLDER NOTICE REGARDING CYBER LIABILITY COVERAGE

CAUTION: No coverage is provided by this notice; nor can it be construed to replace any provision of your policy. You should read your policy and review your Declarations Page for complete information on the coverages you are provided. If there is a conflict between the policy and this notice, THE PROVISIONS OF THE POLICY SHALL PREVAIL. PLEASE READ YOUR POLICY CAREFULLY.

Your renewal policy includes a new endorsement for Cyber Liability that covers losses resulting from a claim for an actual or alleged wrongful act and first party costs resulting from a first party insured event, as defined in your policy. Under this coverage, you have 60 days to report a claim once it has become known to you. This coverage is explained in your policy. Please read the new coverage endorsement carefully to understand this coverage.

Your renewal premium will also include a premium for this new endorsement. By accepting this policy you are consenting to this coverage enhancement. If you have questions about this coverage, or would like this coverage removed, please contact your agent at the phone number provided on your policy.

MANAGING CYBER SECURITY RISK

With the purchase of CYBER LIABILITY COVERAGE through Harford Mutual, you have **FREE** and **UNLIMITED** access to a Cyber Security Risk Management Website to help you manage the many exposures to your business and reduce or prevent costly claims.

WEBSITE: www.HarfordMutualCyber.com
CODE: HARFORDCYBER01

NOTICE REGARDING CLAIMS-MADE LIABILITY COVERAGE ON YOUR POLICY

CAUTION: No coverage is provided by this notice; nor can it be construed to replace any provision of your policy. You should read your policy and review your Declarations Page for complete information on the coverages you are provided. If there is a conflict between the policy and this notice, THE PROVISIONS OF THE POLICY SHALL PREVAIL. PLEASE READ YOUR POLICY CAREFULLY.

You have purchased a claims-made liability coverage on this insurance policy. Please read this policy carefully to understand your coverage. There are certain circumstances in which you must be provided the opportunity to purchase an extended reporting period for reporting claims. These are explained in your policy. If you have any questions regarding the cost of an extended reporting period or the available options under the extended reporting period, please contact your insurance company or your insurance agent.

POLICYHOLDER NOTICE REGARDING EMPLOYMENT PRACTICES LIABILITY COVERAGE

CAUTION: No coverage is provided by this notice; nor can it be construed to replace any provision of your policy. You should read your policy and review your Declarations Page for complete information on the coverages you are provided. If there is a conflict between the policy and this notice, THE PROVISIONS OF THE POLICY SHALL PREVAIL. PLEASE READ YOUR POLICY CAREFULLY.

Your renewal policy includes a new endorsement for Employment Practices Liability which is written on a claims-made basis. Because this is written on a claims-made basis, there are certain circumstances in which you must be provided the opportunity to purchase an extended reporting period for claims. These are explained in your policy. Please read the coverage endorsement carefully to understand this coverage.

Your renewal premium will also include the premium for this new endorsement. By accepting this policy you are consenting to this coverage enhancement. If you have questions about this coverage or the available options for purchasing an extended reporting period endorsement, please contact your agent at the phone number provided on your policy.

MANAGING EMPLOYMENT RISK

With the purchase of EPLI through Harford Mutual you can access two **FREE** resources to help you manage the many employment exposures to your business and reduce or prevent costly employment claims.

Workplace Risk Solutions—ONLINE SUPPORT *from The McCalmon Group*
Website: www.WPRSolutions.com
Passcode: HF-HrHelp

Employment Practices Consultation—Legal Hotline *from Jackson Lewis, LLP*
800-259-5589
Monday through Friday 9 a.m. to 6 p.m. (CST)

ADVISORY NOTICE TO POLICYHOLDERS

LEAD LIABILITY EXCLUSION

NO COVERAGE IS PROVIDED BY THIS POLICYHOLDER NOTICE NOR CAN IT BE CONSTRUED TO REPLACE ANY PROVISIONS OF YOUR POLICY. IF THERE IS ANY CONFLICT BETWEEN THE POLICY AND THIS NOTICE, THE PROVISIONS OF THE POLICY SHALL PREVAIL.

PLEASE READ YOUR POLICY, AND THE ENDORSEMENTS ATTACHED TO YOUR POLICY, CAREFULLY.

Your policy excludes coverage for claims resulting or arising from lead contamination.

You should be aware that the ingestion of lead paint by young children can potentially result in serious brain damage. We suggest you determine if lead hazards exist on your premises and, if so, promptly see that they are removed.

COMMON POLICY CONDITIONS

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

A. Cancellation

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

B. Changes

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

C. Examination Of Your Books And Records

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

D. Inspections And Surveys

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

E. Premiums

The first Named Insured shown in the Declarations:

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

F. Transfer Of Your Rights And Duties Under This Policy

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

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

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NORTH CAROLINA CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

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

A. Paragraph **2.** of the **Cancellation** Common Policy Condition is replaced by the following:

2. Cancellation Requirements

a. Policies In Effect Less Than 60 Days

If this policy has been 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:

(1) 15 days before the effective date of cancellation if we cancel for nonpayment of premium; or

(2) 30 days before the effective date of cancellation if we cancel for any other reason.

b. Policies In Effect More Than 60 Days

If this policy has been in effect for 60 days or more, or is a renewal of a policy we issued, we may cancel this policy prior to the:

(1) Expiration of the policy term; or

(2) Anniversary date,

stated in the policy only for one or more of the following reasons:

(a) Nonpayment of premium;

(b) An act or omission by the insured or his or her representative that constitutes material misrepresentation or nondisclosure of a material fact in obtaining this policy, continuing this policy or presenting a claim under this policy;

(c) Increased hazard or material change in the risk assumed that could not have been reasonably contemplated by the parties at the time of assumption of the risk;

(d) Substantial breach of contractual duties, conditions or warranties that materially affects the insurability of the risk;

(e) A fraudulent act against us by the insured or his or her representative that materially affects the insurability of the risk;

(f) Willful failure by the insured or his or her representative to institute reasonable loss control measures that materially affect the insurability of the risk after written notice by us;

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(g) Loss of facultative reinsurance, or loss of or substantial changes in applicable reinsurance as provided in G.S. 58-41-30;

(h) Conviction of the insured of a crime arising out of acts that materially affect the insurability of the risk;

(i) A determination by the Commissioner of Insurance that the continuation of the policy would place us in violation of the laws of North Carolina; or

(j) You fail to meet the requirements contained in our corporate charter, articles of incorporation or by-laws when we are a company organized for the sole purpose of providing members of an organization with insurance coverage in North Carolina.

We will mail or deliver written notice of cancellation to the first Named Insured at least:

(i) 15 days before the effective date of cancellation if we cancel for nonpayment of premium; or

(ii) 30 days before the effective date of cancellation if we cancel for any other reason.

c. Cancellation for nonpayment of premium will not become effective if you pay the premium amount due before the effective date of cancellation.

d. We may also cancel this policy for any reason not stated above provided we obtain your prior written consent.

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

1. **Nonrenewal**

a. If we elect not to renew this policy, we will mail or deliver to the first Named Insured shown in the Declarations written notice of nonrenewal at least 45 days prior to the:

(1) Expiration of the policy if this policy has been written for one year or less; or

(2) Anniversary date of the policy if this policy has been written for more than one year or for an indefinite term.

b. We need not mail or deliver the notice of nonrenewal if you have:

(1) Insured property covered under this policy, under any other insurance policy;

(2) Accepted replacement coverage; or

(3) Requested or agreed to nonrenewal of this policy.

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

2. The written notice of cancellation or nonrenewal will:

a. Be mailed or delivered to the first Named Insured and any designated mortgagee or loss payee at their addresses shown in the policy, or if not indicated in the policy, at their last known addresses; and

b. State the reason or reasons for cancellation or nonrenewal.

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COMMERCIAL GENERAL LIABILITY COVERAGE FORM

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

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

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

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

SECTION I – COVERAGES

COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

(1) The amount we will pay for damages is limited as described in Section **III** – Limits Of Insurance; and

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

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

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

(1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

(2) The "bodily injury" or "property damage" occurs during the policy period; and

(3) Prior to the policy period, no insured listed under Paragraph **1.** of Section **II** – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph **1.** of Section **II** – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph **1.** of Section **II** – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

(1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;

(2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or

(3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

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

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2. Exclusions

This insurance does not apply to:

a. Expected Or Intended Injury

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

b. Contractual Liability

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

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

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

(a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and

(b) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

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

(1) Causing or contributing to the intoxication of any person;

(2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or

(3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

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

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

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

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

However, this exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation And Similar Laws

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

e. Employer's Liability

"Bodily injury" to:

(1) An "employee" of the insured arising out of and in the course of:

(a) Employment by the insured; or

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

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

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

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

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f. Pollution

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

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

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

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

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

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

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

(i) Any insured; or

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

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

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

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

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

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

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

(a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

(b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

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

g. Aircraft, Auto Or Watercraft

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

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

This exclusion does not apply to:

(1) A watercraft while ashore on premises you own or rent;

(2) A watercraft you do not own that is:

(a) Less than 26 feet long; and

(b) Not being used to carry persons or property for a charge;

(3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;

(4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

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

(a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged; or

(b) The operation of any of the machinery or equipment listed in Paragraph **f.(2)** or **f.(3)** of the definition of "mobile equipment".

h. Mobile Equipment

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

(1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or

(2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

i. War

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

(1) War, including undeclared or civil war;

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

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

j. Damage To Property

"Property damage" to:

(1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;

(2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;

(3) Property loaned to you;

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(4) Personal property in the care, custody or control of the insured;

(5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or

(6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

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

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

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

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

k. Damage To Your Product

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

l. Damage To Your Work

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

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

m. Damage To Impaired Property Or Property Not Physically Injured

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

(1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or

(2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

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

n. Recall Of Products, Work Or Impaired Property

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

(1) "Your product";

(2) "Your work"; or

(3) "Impaired property";

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

o. Personal And Advertising Injury

"Bodily injury" arising out of "personal and advertising injury".

p. Electronic Data

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

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

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

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

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

(1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;

(2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;

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

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

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

COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:

(1) The amount we will pay for damages is limited as described in Section **III** – Limits Of Insurance; and

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

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

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

2. Exclusions

This insurance does not apply to:

a. Knowing Violation Of Rights Of Another

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

b. Material Published With Knowledge Of Falsity

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

c. Material Published Prior To Policy Period

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

d. Criminal Acts

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

e. Contractual Liability

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

f. Breach Of Contract

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

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

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

h. Wrong Description Of Prices

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

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

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

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

j. Insureds In Media And Internet Type Businesses

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

(1) Advertising, broadcasting, publishing or telecasting;

(2) Designing or determining content of web sites for others; or

(3) An Internet search, access, content or service provider.

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

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

k. Electronic Chatrooms Or Bulletin Boards

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

l. Unauthorized Use Of Another's Name Or Product

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

m. Pollution

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

n. Pollution-related

Any loss, cost or expense arising out of any:

(1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

(2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

o. War

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

(1) War, including undeclared or civil war;

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

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

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

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

(1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;

(2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;

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

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

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COVERAGE C – MEDICAL PAYMENTS

1. Insuring Agreement

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

(1) On premises you own or rent;

(2) On ways next to premises you own or rent; or

(3) Because of your operations;

provided that:

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

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

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

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

(1) First aid administered at the time of an accident;

(2) Necessary medical, surgical, X-ray and dental services, including prosthetic devices; and

(3) Necessary ambulance, hospital, professional nursing and funeral services.

2. Exclusions

We will not pay expenses for "bodily injury":

a. Any Insured

To any insured, except "volunteer workers".

b. Hired Person

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

c. Injury On Normally Occupied Premises

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

d. Workers' Compensation And Similar Laws

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

e. Athletics Activities

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

f. Products-Completed Operations Hazard

Included within the "products-completed operations hazard".

g. Coverage A Exclusions

Excluded under Coverage **A.**

SUPPLEMENTARY PAYMENTS – COVERAGES A AND B

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

a. All expenses we incur.

b. Up to $250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.

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

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

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

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

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

These payments will not reduce the limits of insurance.

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

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

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

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

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

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

f. The indemnitee:

(1) Agrees in writing to:

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

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

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

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

(2) Provides us with written authorization to:

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

(b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph **2.b.(2)** of Section **I** – Coverage **A** – Bodily Injury And Property Damage Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

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

SECTION II – WHO IS AN INSURED

1. If you are designated in the Declarations as:

a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.

b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.

c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.

d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

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2. Each of the following is also an insured:
   a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:
      (1) "Bodily injury" or "personal and advertising injury":
         (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
         (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph **(1)(a)** above;
         (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph **(1)(a)** or **(b)** above; or
         (d) Arising out of his or her providing or failing to provide professional health care services.
      (2) "Property damage" to property:
         (a) Owned, occupied or used by;
         (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;

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

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
   a. Insureds;
   b. Claims made or "suits" brought; or
   c. Persons or organizations making claims or bringing "suits".
2. The General Aggregate Limit is the most we will pay for the sum of:
   a. Medical expenses under Coverage **C;**
   b. Damages under Coverage **A,** except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
   c. Damages under Coverage **B.**

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3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage **A** for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".

4. Subject to Paragraph **2.** above, the Personal And Advertising Injury Limit is the most we will pay under Coverage **B** for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.

5. Subject to Paragraph **2.** or **3.** above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:

   a. Damages under Coverage **A;** and

   b. Medical expenses under Coverage **C**

   because of all "bodily injury" and "property damage" arising out of any one "occurrence".

6. Subject to Paragraph **5.** above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage **A** for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.

7. Subject to Paragraph **5.** above, the Medical Expense Limit is the most we will pay under Coverage **C** for all medical expenses because of "bodily injury" sustained by any one person.

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

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

1. **Bankruptcy**

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

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

   a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

   (1) How, when and where the "occurrence" or offense took place;

   (2) The names and addresses of any injured persons and witnesses; and

   (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

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

   (1) Immediately record the specifics of the claim or "suit" and the date received; and

   (2) Notify us as soon as practicable.

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

   c. You and any other involved insured must:

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

   (2) Authorize us to obtain records and other information;

   (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and

   (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

   d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. **Legal Action Against Us**

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

   a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or

   b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

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

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4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages **A** or **B** of this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

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

b. Excess Insurance

(1) This insurance is excess over:

(a) Any of the other insurance, whether primary, excess, contingent or on any other basis:

(i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";

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

(iii) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or

(iv) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion **g.** of Section **I** – Coverage **A** – Bodily Injury And Property Damage Liability.

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

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

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

(a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

(b) The total of all deductible and self-insured amounts under all that other insurance.

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

c. Method Of Sharing

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

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

5. Premium Audit

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

b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.

c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

6. Representations

By accepting this policy, you agree:

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

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b. Those statements are based upon representations you made to us; and

c. We have issued this policy in reliance upon your representations.

7. Separation Of Insureds

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

a. As if each Named Insured were the only Named Insured; and

b. Separately to each insured against whom claim is made or "suit" is brought.

8. Transfer Of Rights Of Recovery Against Others To Us

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

9. When We Do Not Renew

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

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

SECTION V – DEFINITIONS

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:

   a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and

   b. Regarding web sites, only that part of a web site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

2. "Auto" means:

   a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or

   b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

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

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

4. "Coverage territory" means:

   a. The United States of America (including its territories and possessions), Puerto Rico and Canada;

   b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph **a.** above; or

   c. All other parts of the world if the injury or damage arises out of:

      (1) Goods or products made or sold by you in the territory described in Paragraph **a.** above;

      (2) The activities of a person whose home is in the territory described in Paragraph **a.** above, but is away for a short time on your business; or

      (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication;

   provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in Paragraph **a.** above or in a settlement we agree to.

5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.

7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.

8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:

   a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or

   b. You have failed to fulfill the terms of a contract or agreement;

   if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.

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9. "Insured contract" means:

   a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";

   b. A sidetrack agreement;

   c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;

   d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;

   e. An elevator maintenance agreement;

   f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

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

      (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;

      (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:

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

         (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or

      (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in **(2)** above and supervisory, inspection, architectural or engineering activities.

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

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

   a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";

   b. While it is in or on an aircraft, watercraft or "auto"; or

   c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

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

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

   a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;

   b. Vehicles maintained for use solely on or next to premises you own or rent;

   c. Vehicles that travel on crawler treads;

   d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:

      (1) Power cranes, shovels, loaders, diggers or drills; or

      (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;

   e. Vehicles not described in Paragraph **a., b., c.** or **d.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

      (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or

      (2) Cherry pickers and similar devices used to raise or lower workers;

   f. Vehicles not described in Paragraph **a., b., c.** or **d.** above maintained primarily for purposes other than the transportation of persons or cargo.

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However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

(1) Equipment designed primarily for:

(a) Snow removal;

(b) Road maintenance, but not construction or resurfacing; or

(c) Street cleaning;

(2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

(3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

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

13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:

a. False arrest, detention or imprisonment;

b. Malicious prosecution;

c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;

d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;

e. Oral or written publication, in any manner, of material that violates a person's right of privacy;

f. The use of another's advertising idea in your "advertisement"; or

g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

15. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

16. "Products-completed operations hazard":

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

(1) Products that are still in your physical possession; or

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

(a) When all of the work called for in your contract has been completed.

(b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.

(c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

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

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

(1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;

(2) The existence of tools, uninstalled equipment or abandoned or unused materials; or

(3) Products or operations for which the classification, listed in the Declarations or in a policy Schedule, states that products-completed operations are subject to the General Aggregate Limit.

17. "Property damage" means:

a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

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

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As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

18. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:
    a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
    b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.
19. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
20. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.
21. "Your product":
    a. Means:
        (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
            (a) You;
            (b) Others trading under your name; or
            (c) A person or organization whose business or assets you have acquired; and
        (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
    b. Includes:
        (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
        (2) The providing of or failure to provide warnings or instructions.
    c. Does not include vending machines or other property rented to or located for the use of others but not sold.
22. "Your work":
    a. Means:
        (1) Work or operations performed by you or on your behalf; and
        (2) Materials, parts or equipment furnished in connection with such work or operations.
    b. Includes:
        (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
        (2) The providing of or failure to provide warnings or instructions.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

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

2. Exclusions

This insurance does not apply to:

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

Damages arising out of:

(1) Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or

(2) The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

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

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

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

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

2. Exclusions

This insurance does not apply to:

Access Or Disclosure Of Confidential Or Personal Information

"Personal and advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information.

This exclusion applies even if damages are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses or any other loss, cost or expense incurred by you or others arising out of any access to or disclosure of any person's or organization's confidential or personal information.

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EXCLUSION – UNMANNED AIRCRAFT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. Exclusion **2.g. Aircraft, Auto Or Watercraft** under **Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

2. Exclusions

This insurance does not apply to:

g. Aircraft, Auto Or Watercraft

(1) Unmanned Aircraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft". Use includes operation and "loading or unloading".

This Paragraph **g.(1)** applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft".

(2) Aircraft (Other Than Unmanned Aircraft), Auto Or Watercraft

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

This Paragraph **g.(2)** applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft (other than "unmanned aircraft"), "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This Paragraph **g.(2)** does not apply to:

(a) A watercraft while ashore on premises you own or rent;

(b) A watercraft you do not own that is:

(i) Less than 26 feet long; and

(ii) Not being used to carry persons or property for a charge;

(c) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;

(d) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or

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

(i) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged; or

(ii) The operation of any of the machinery or equipment listed in Paragraph **f.(2)** or **f.(3)** of the definition of "mobile equipment".

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

2. Exclusions

This insurance does not apply to:

Unmanned Aircraft

"Personal and advertising injury" arising out of the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft". Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the offense which caused the "personal and advertising injury" involved the ownership, maintenance, use or entrustment to others of any aircraft that is an "unmanned aircraft".

This exclusion does not apply to:

a. The use of another's advertising idea in your "advertisement"; or

b. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

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

"Unmanned aircraft" means an aircraft that is not:

1. Designed;

2. Manufactured; or

3. Modified after manufacture;

to be controlled directly by a person from within or on the aircraft.

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COMMUNICABLE DISEASE EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

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

2. Exclusions

This insurance does not apply to:

Communicable Disease

"Bodily injury" or "property damage" arising out of the actual or alleged transmission of a communicable disease.

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

a. Supervising, hiring, employing, training or monitoring of others that may be infected with and spread a communicable disease;

b. Testing for a communicable disease;

c. Failure to prevent the spread of the disease; or

d. Failure to report the disease to authorities.

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

2. Exclusions

This insurance does not apply to:

Communicable Disease

"Personal and advertising injury" arising out of the actual or alleged transmission of a communicable disease.

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

a. Supervising, hiring, employing, training or monitoring of others that may be infected with and spread a communicable disease;

b. Testing for a communicable disease;

c. Failure to prevent the spread of the disease; or

d. Failure to report the disease to authorities.

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FUNGI OR BACTERIA EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

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

2. Exclusions

This insurance does not apply to:

Fungi Or Bacteria

a. "Bodily injury" or "property damage" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.

b. Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for bodily consumption.

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

2. Exclusions

This insurance does not apply to:

Fungi Or Bacteria

a. "Personal and advertising injury" which would not have taken place, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury.

b. Any loss, cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

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

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

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

This endorsement modifies insurance provided under the following:

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

A. The following exclusion is added:

This insurance does not apply to:

TERRORISM

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

1. The total of insured damage to all types of property exceeds $25,000,000 (valued in U.S. dollars). In determining whether the $25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the terrorism and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or

2. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:

a. Physical injury that involves a substantial risk of death; or

b. Protracted and obvious physical disfigurement; or

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

3. The terrorism involves the use, release or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or

4. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or

5. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.

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

B. The following definitions are added:

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

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

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

   b. The act resulted in damage:

      (1) Within the United States (including its territories and possessions and Puerto Rico); or

      (2) Outside of the United States in the case of:

         (a) An air carrier (as defined in Section 40102 of title 49, United States Code) or United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs; or

         (b) The premises of any United States mission; and

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

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

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

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

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

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EXCLUSION OF PUNITIVE DAMAGES RELATED TO A CERTIFIED ACT OF TERRORISM

This endorsement modifies insurance provided under the following:

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

A. The following exclusion is added:

This insurance does not apply to:

TERRORISM PUNITIVE DAMAGES

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

B. The following definition is added:

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

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

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

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SILICA OR SILICA-RELATED DUST EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

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

2. Exclusions

This insurance does not apply to:

Silica Or Silica-Related Dust

a. "Bodily injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, or ingestion of, "silica" or "silica-related dust".

b. "Property damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".

c. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.

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

2. Exclusions

This insurance does not apply to:

Silica Or Silica-Related Dust

a. "Personal and advertising injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".

b. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "silica" or "silica-related dust", by any insured or by any other person or entity.

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

1. "Silica" means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.

2. "Silica-related dust" means a mixture or combination of silica and other dust or particles.

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AMENDMENT OF INSURED CONTRACT DEFINITION

This endorsement modifies insurance provided under the following:

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

The definition of "insured contract" in the **Definitions** section is replaced by the following:

"Insured contract" means:

a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";

b. A sidetrack agreement;

c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;

d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;

e. An elevator maintenance agreement;

f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization, provided the "bodily injury" or "property damage" is caused, in whole or in part, by you or by those acting on your behalf. However, such part of a contract or agreement shall only be considered an "insured contract" to the extent your assumption of the tort liability is permitted by law. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

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

(1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;

(2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:

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

(b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or

(3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in **(2)** above and supervisory, inspection, architectural or engineering activities.

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EXCLUSION - LEAD CONTAMINATION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY
COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY
COVERAGE C – MEDICAL PAYMENTS

This endorsement modifies the above Coverages to exclude occurrences at or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to any insured that results in:

a. "Bodily Injury" arising out of lead contamination, or out of the ingestion, inhalation, use, absorption, handling or contact with lead in any form;

b. "Property Damage" arising from any form of lead;

c. "Personal and advertising injury" arising from any form of lead;

d. "Medical Payments" arising from any form of lead;

e. Any loss, cost or expense arising out of any request, demand or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of lead; or

f. Any loss, cost or expense arising out of any claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of lead.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DIRECTORS AND OFFICERS LIABILITY FOR NONPROFIT ORGANIZATIONS COVERAGE FORM

Although shown as a separate coverage part on the Common Policy Declarations Page, this coverage part is added as a sub-part of the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

This form provides **CLAIMS MADE** Coverage. Please read the entire form carefully.

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

The word "insured" means any person or organization qualifying as such under **Section II - Who Is An Insured.** Other words and phrases that appear in quotation marks have special meaning. Refer to **Section VIII – Definitions.**

In return for the payment of the premium and in reliance upon the statements in the Declarations, and subject to all the terms and conditions of this form, we agree with you to provide the insurance as stated in this form.

SECTION I – COVERAGE

A. INSURING AGREEMENT

1. We will pay those sums that the insured becomes legally obligated to pay as damages because of "loss" arising out of any "wrongful act(s)" to which this policy applies subject to the applicable retention and within the limits of liability specified. No other obligation or liability to pay sums or perform acts or services is covered unless explicity provided for under SUPPLEMENTARY PAYMENTS. This insurance does not apply to any "wrongful act(s)" committed before the Retroactive Date, if any, shown in the Declarations or committed after the policy period shown in the Declarations. The "loss" arising out of "wrongful acts" must take place in the "coverage territory". We will have the right and duty to defend any "loss" arising out of "wrongful acts" and seeking damages. But:

   a. The amount we will pay for damage is limited as described in **Section III - Limits Of Insurance;**

   b. Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements; and

   c. We may investigate any "loss" arising out of "wrongful acts" at our discretion; and pay on behalf of the insured. However, if any insured shall:

      (1) Refuse to consent to any settlement we recommend in writing; or

      (2) Continue any legal proceedings in connection with such "loss" arising out of "wrongful acts"; then our liability shall not exceed the amount for which the "loss" could have been settled (including costs, charges and expenses incurred with our consent) as of the date of such refusal.

   d. This insurance applies to any "wrongful act(s)" only if a claim is first made against any insured during the policy period subject to:

      (1) A claim by a person or organization seeking to hold the insured responsible for a "loss" arising out of a "wrongful act" will be deemed to have been made when notice of such claim is received and recorded by any insured or by us or an authorized agent of our company, whichever comes first.

      (2) All claims for "losses" arising out of "wrongful acts" to the same person or organization will be deemed to have been made at the time the first of those claims is made against any insured.

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B. EXCLUSIONS

This insurance does not apply to any "loss" arising out of "wrongful acts":

1. For injury arising out of one or more of the following offenses:
   a. False arrest, detention or imprisonment;
   b. Malicious prosecution;
   c. Wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling, or premises that the person occupies, committed by or on behalf of its owner, landlord or lessor;
   d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
   e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
   f. The use of another's advertising idea in your advertisement; or
   g. Infringing upon another's copyright trade dress or slogan in your advertisement.
2. For discrimination based on, but not limited to race, color, creed, sex, religion, age, national origin, handicap or sexual preference.
3. For "bodily injury", shock, fright, mental anguish, mental injury, humiliation, sickness or disease, including death resulting from any of these at any time.
4. For "property damage" including all resulting loss of use of that property.
5. For punitive damages.
6. Based upon or attributable to the insured gaining any personal profit, remuneration or advantage to which the insured is not legally entitled.
7. For any dishonest, fraudulent, criminal or malicious act or omission committed by or with the knowledge or consent of any director or officer of the insured.
8. Based upon the failure of any person to effect or maintain insurance or bonds or to maintain acceptable amounts, forms, conditions or provisions of any insurance or bonds.
9. Based upon, attributable to or related in any way (directly or indirectly) to any "bodily injury" or "property damage" resulting from the radioactive, toxic or explosive properties of nuclear material which includes, but is not limited to, "source material", "special nuclear material" and "by product materials" as these terms are defined in the Atomic Energy Act of 1954 and any amendments thereto and any similar provisions of any federal, state or local statutory or common law.
10. Based upon the Employee Retirement Income Security Act of 1974, Public Law 93-406 (the Pension Reform Act of 1974) and amendments thereto, or similar provisions of any Federal, State or local statutory or common law.
11. a. Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
       (1) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured;
       (2) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
       (3) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any insured or any person or organization for whom "you" may be legally responsible; or
       (4) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations:
          (a) If the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor; or
          (b) If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of the "pollutants".

   This exclusion does not apply to damages caused by heat, smoke or fumes from a hostile fire. As used in this exclusion, a hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.

   b. Any "loss", cost, or expense arising out of any:

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(1) Request, demand or order, statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants"; or

(2) "Loss" arising out of "wrongful acts" which result in claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing or in any way responding to or assessing the effects of "pollutants".

12. For fines imposed by law.

13. For anything other than money damages.

14. Arising under statutory or common law relating to the purchase, sale or disposition of securities;

15. For salary, compensation or bonuses voted to any insured by your board of directors.

16. For damages arising out of or in any way involving any actual or alleged act, error or omission by any insured in connection with the rendering or failure to render any professional service.

17. Based upon, attributable to or related in any way (directly or indirectly) to any "bodily injury" or "property damage" regarding asbestos including, without limitation, the use, exposure, presence, existence, detection, removal, elimination or avoidance of asbestos to any persons and in any environment, building or structure.

18. Resulting in a claim brought by any one Insured under this policy.

19. Based upon the bankruptcy or insolvency of the Insured.

C. SUPPLEMENTARY PAYMENTS

We will pay, with respect to any "loss" arising out of the, "wrongful act(s)" we defend:

1. All expenses we incur.

2. The cost of bonds to release attachments, but only for bond amounts within the applicable Limits of Insurance. We do not have to furnish these bonds.

3. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the "loss" arising out of "wrongful acts" including actual "loss" of earnings up to $250 a day because of time off from work.

4. All court costs taxed against the insured in the "loss" arising out of the "wrongful act(s)". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.

5. Pre-judgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable Limit of Insurance, we will not pay any pre-judgment interest based on that period of time after the offer.

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

These payments will not reduce the Limit of Insurance.

SECTION II – WHO IS AN INSURED

A. You are an insured, but only with respect to an obligation to indemnify your directors and officers with respect to their duties as such.

B. Your directors and officers are insureds, but only with respect to their duties as such.

C. Any other person who was one of your directors or officers at the time a "loss" arising out of a "wrongful act" was allegedly committed by an insured and upon which a claim is based. Estates, guardians or legal representatives of such persons are also insureds, but only with respect to their duties as such.

SECTION III – LIMITS OF INSURANCE

A. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

1. Insureds;

2. "Loss" arising out of "wrongful acts"; or

3. Persons or organizations making claims for "loss" arising out of "wrongful acts".

B. The Aggregate Limit is the most we will pay for the sum of all "loss" arising out of "wrongful acts" covered under **Section I – Coverage.**

C. Subject to **B**, above, the Each "Wrongful Act" Limit is the most we will pay for all "loss" arising from any one "wrongful act".

D. We shall be liable to pay not more than 95% of each "loss" for all damages for each "loss" arising out of a "wrongful act" including defense expenses. It is agreed that the remaining 5% of each and every

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"loss" arising out of a "wrongful act" (subject to the maximum of $10,000) shall be carried by insured(s) at their own risk and uninsured.

SECTION IV – POLICY PERIOD

This policy, subject to the Retroactive Provision, applies only to "wrongful acts" committed during the period set out in the Directors and Officers Liability for Nonprofit Organizations Coverage Declaration.

SECTION V – CONDITIONS

A. BANKRUPTCY

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

B. Duties in the Event of "Loss" Arising Out of "Wrongful Acts"

1. You must see to it that we or an authorized agent of the company are notified as soon as practicable of a "loss" arising out of "wrongful acts" which may result in a claim. To the extent possible, notice should include:
   a. How, when and where the "loss" arising out of the "wrongful act(s)" took place;
   b. The names and addresses of any injured persons and witnesses; and
   c. The nature and location of the "loss" arising out of the "wrongful act(s)".

Notice of an occurrence is not notice of a claim.

2. If the "loss" arising out of a "wrongful act" results in a claim against any insured, you must
   a. Immediately record the specifics of the "loss" arising out of a "wrongful act" and the date received; and
   b. See to it that we receive prompt written notice of the claim as soon as practicable.
3. You and any other involved insured must:
   a. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "loss" arising out of the "wrongful act(s)";
   b. Authorize us to obtain records and other information;
   c. Cooperate with us in the investigation, settlement or defense of the "loss" arising out of the "wrongful act(s)"; and
   d. Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
4. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation or incur any expense, without our consent.

C. Legal Action Against Us

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

1. To join us as a party or otherwise bring us into a claim for a "loss" arising out of a "wrongful act" which seeks damages from an insured; or
2. To sue us on this Coverage Part unless all of its terms have been fully complied with.

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

D. Other Insurance

If other valid and collectible insurance is available to the insured for a "loss" we cover under **Section I - Coverage** of this Coverage Part our obligations are limited as follows:

1. Primary Insurance

This insurance is primary except when **2.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in **3.** below.

2. Excess Insurance

a. This insurance is excess over any other insurance whether primary, excess, contingent or on any other basis:
   (1) That is effective prior to the beginning of the policy period shown in the Declarations of this insurance and applies to "wrongful acts" on other than a claims-made basis, if:
      (a) No Retroactive Date is shown in the Declarations of this insurance; or
      (b) The other insurance has a policy period which continues after the

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Retroactive Date shown in the Declarations of this insurance.

b. When this insurance is excess, we will have no duty under **Section I – Coverage** to defend any "loss" arising from "wrongful acts" that any other insurer has a duty to defend. If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

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

(1) The total amount that all such other insurance would pay for the "loss" in the absence of this insurance; and

(2) The total of all deductible and self-insured amounts under all that other insurance.

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

3. Method of Sharing

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

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

E. Representations

By accepting this policy, you agree;

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

2. Those statements are based upon representations you made to us; and

3. We have issued this policy in reliance upon your representations.

F. Separation of Insureds

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

1. As if each Named Insured were the only Named Insured; and

2. Separately to each insured against whom claim is made for "loss" arising out of a "wrongful act".

G. Transfer of Rights of Recovery Against Others To Us

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

H. Nonrenewal

If we decide not to renew this insurance, we will mail or deliver to the first Named Insured shown in the Declarations at the insured's address last known to us or our authorized agent, written notice of the nonrenewal not less than 30 days before the expiration date.

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

I. Your Right To Claim and "Loss" Arising Out of "Wrongful Acts" Information

We will provide the first Named Insured shown in the Declarations the following information relating to this and any preceding claims-made Directors and Officers Liability Coverage we have issued to you during the previous three years:

1. A list or other record of each "loss" arising out of "wrongful acts", not previously reported to any other insurer, of which we were notified in accordance with Paragraph **B.** of **Section V – Conditions** will include the date and brief description of the "loss" if that information was in the notice we received.

2. A summary by policy year, of payments made and amounts reserved, stated separately, under any applicable Policy Limit.

Amounts reserved are based on our judgment. They are subject to change and should not be regarded as ultimate settlement values.

If we cancel or elect not to renew this Coverage Part, we will provide such information no later than 30 days before the date of policy termination. In other circumstances, we will provide this information only if we receive a written request from the first Named Insured within 60 days after the end of the

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policy period. In this case, we will provide this information within the 45 days of receipt of this request.

We compile claim and "loss" information for our own business purposes and exercise reasonable care in doing so. In providing this information to the first Named Insured, we make no representations or warranties to insureds, insurers, or others to whom this information is furnished by or on behalf of any insured. Cancellation or nonrenewal will be effective even if we inadvertently provide inaccurate information.

SECTION VI – EXTENDED REPORTING PERIODS

A. We will provide extended reporting periods as described below, only if:

1. This Coverage Part is cancelled or not renewed by "you" or by "us" for any reason; or
2. Conditionally renewed under terms or conditions less favorable to the insured than the preceding policy's; or
3. We renew or replace this Coverage Part with other insurance that:
   a. Provides claims-made coverage for "wrongful acts"; and
   b. Has a Retroactive Date later than the date shown in the Declarations of this Coverage Part.
4. The policy is renewed on other than a claims-made basis.

We will not provide an extended reporting period if the cancellation or nonrenewal of a claims-made liability endorsement or policy is due to:

1. Nonpayment of premium;
2. Failure to comply with terms or conditions of this coverage or policy; or
3. Fraud.

B. If we provide an Extended Reporting Period as described in either Paragraph **C.** or **D.** of this section, the following is added to **Section I – Coverage.**

A claim first made during the Extended Reporting Period shall apply at the time of one of the triggering events described in **Section VI. A.** above, provided that the claim is for damages for a "loss" arising out of "wrongful acts" that occurred before one of the triggering events described in **Section VI. A.**(but not before the applicable Retroactive Date).

C. The Basic Extended Reporting Period is automatically provided without an additional charge. This period starts with the end of the policy period and lasts for:

1. Sixty days with respect to claims arising from "wrongful acts" or offenses not previously reported to us; or
2. Five years for losses arising out of "wrongful acts" reported to "us" after the Retroactive Date, if any, shown in the Declarations of this Coverage Part, but not later than 60 days after the end of the policy period. Notification of the "wrongful act" must be in accordance with the provisions of Paragraph **B.**, Duties in the Event of "Loss" Arising Out of "Wrongful Acts" of **Section V – Conditions.**

   The Basic Extended Reporting Period applies only if no subsequent insurance you purchased applies to the "loss" arising out of "wrongful acts", or would apply but for the exhaustion of its applicable Limit of Insurance.

   The Limits of Insurance are neither reinstated nor increased during the Basic Extended Reporting Period.

   The Basic Extended Reporting Period may not be cancelled.

D. A Supplemental Extended Reporting Period Endorsement of an unlimited duration is available but only by endorsement and for an extra charge. This Supplemental Extended Reporting Period Endorsement starts:

1. Five years after the end of the policy period for claims arising out of "wrongful acts" reported to us, not later than 60 days after the end of the policy period, or
2. Sixty days after the end of the policy period for all other claims.

You must give us a written request for the endorsement within 60 days after the end of the policy period or the effective date of cancellation, whichever comes first. The Supplemental Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due. If that premium is paid when due, the Endorsement may not be cancelled except for fraud.

We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:

1. The exposures insured;
2. Previous types and amounts of insurance;
3. Limits of Insurance available under this Coverage Part for future payment of damages; and

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4. Other related factors.

The additional premium for the Supplemental Extended Reporting Period Endorsement will not exceed 200% of the expiring annual premium for this Coverage Part. The premium for the Supplemental Extended Reporting Period will be deemed fully earned as of the date it is purchased.

The Limits of Insurance for the Supplemental Extended Reporting Period are shown on the Declarations accompanying the Supplemental Extended Reporting Period Endorsement.

The supplemental aggregate limits of insurance will be equal to the dollar amount shown in the Declarations in effect at the end of the policy period.

The Supplemental Extended Reporting Period Endorsement does not extend the policy period or change the scope of coverage provided. It applies only to "loss" arising out of "wrongful acts" committed before the end of the policy period (but not before the Retroactive Date, if any, shown in the Declarations) and is excess over any other valid and collectible insurance available under policies in force after the Supplemental Extended Reporting Period Endorsement starts.

Claims for "loss" arising out of "wrongful acts" which are first received and recorded during the Extended Reporting Period will be deemed to have been made on the last day of the policy period.

Once in effect, the Supplemental Extended Reporting Period Endorsement may not be cancelled except for nonpayment of premium or fraud.

SECTION VII – RETROACTIVE PROVISION

A. If this policy is a renewal of a policy issued by us, then this coverage applies to all "wrongful acts" committed or alleged to have been committed on or after the Retroactive Date. The renewal of this policy automatically extends the coverage and reporting periods of the previous term.

B. The Retroactive Date shall be the inception date of the first policy issued by us which:

1. Provided coverage for the same "wrongful acts" as this policy, and all renewals, if any, which provided coverage for the same "wrongful acts" as this policy; and
2. Was in force, or provided continuous coverage by renewals, until the date of termination preceding the inception date shown in the Declarations of the policy.

SECTION VIII – DEFINITIONS

A. "Coverage Territory" means:

1. The United States of America (including its territories and possessions), Puerto Rico and Canada;
2. International waters or airspace, provided the damages do not occur in the course of travel or transportation to or from any place not included in **1.** above; or
3. The insured's responsibility to pay damages for the "loss" arising out of "wrongful acts" is determined in the territory described in **1.** above or in a settlement we agree to.

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

C. "Wrongful act(s)" means any negligent act, any error, omission or breach of duty of your directors or officers while acting in their capacity as such.

D. "Loss" under this policy is any event(s) arising out of a "wrongful act(s)" and shall include:

Cost of investigation and defense of actions, claims or proceedings, and appeals made against the directors or officers for "wrongful acts," negligent acts, errors, omissions, or breach of duty as well as indemnities due the directors or officers pursuant to the operation of law or as otherwise authorized in the by-laws or articles of incorporation which determine and define such rights of indemnity, occurring during the policy period.

E. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

F. "Property damage" means:

1. Physical injury to tangible property, including all resulting loss of use of that property; or
2. Loss of use of tangible property that is not physically injured.

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

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NORTH CAROLINA CHANGES – EXTENDED REPORTING PERIOD

This endorsement modifies insurance provided under the following:

**DIRECTORS AND OFFICERS LIABILITY
FOR NONPROFIT ORGANIZATIONS COVERAGE FORM**

1. **Section VI, Extended Reporting Periods, is revised by adding Paragraph D, as follows:**

   D. If you elect to purchase an extended reporting period for claims arising during the expiring policy period and you mail or deliver a written request, we will mail or deliver within 45 days the following loss information covering a three-year period:

      a. Aggregate information on total closed claims, including date and description of occurrence, and any paid losses;

      b. Aggregate information on total open claims, including date and description of occurrence, and amounts of any payments;

      c. Information on notice of any occurrence, including date and description of occurrence.

Section III, Limits of Insurance, is revised by adding Paragraph E, as follows:

E. If you elect to purchase an extended reporting period for claims arising during the expiring policy period as described in Section VI, Extended Reporting Periods, the limit of liability in the policy aggregate for the extended reporting period shall be one hundred percent (100%) of the expiring policy aggregate.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ASBESTOS EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

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

2. Exclusions

This insurance does not apply to:

Asbestos or Asbestos Related Products

a. "Bodily injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of "asbestos", in any manner or form, or in combination with any other factors, substances or events.

b. "Property damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, or presence of, "asbestos" or products containing "asbestos"

c. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for; monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, manufacturing, sale, storage, transportation, control, dispersal, release, leakage, removal or disposing of, or in any way responding to or assessing the effects of, "asbestos" or products containing "asbestos", by any insured or by any other person or entity.

d. Any other claim for damages, demands, costs, expenses or reimbursement of costs or expenses relating to or arising from "asbestos".

However, this exclusion does not apply to "bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".

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

2. Exclusions

This insurance does not apply to:

Asbestos or Asbestos Related Products

a. "Personal and advertising injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of "asbestos", in any manner or form, or in combination with any other factors, substances or events.

b. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for; monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, manufacturing, sale, storage, transportation, control, dispersal, release, leakage, removal or disposing of, or in any way responding to or assessing the effects of, "asbestos" or products containing "asbestos", by any insured or by any other person or entity.

c. Any other claim for damages, demands, costs, expenses or reimbursement of costs or expenses relating to or arising from "asbestos".

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

"Asbestos" For the purpose of this exclusion, "asbestos" means any type or form of asbestos, including but not limited to asbestos products or goods, asbestos fibers, asbestos materials, and any dusts, gases, by-products, vapors, or odors that are released or produced by asbestos or asbestos products, goods, fibers or material.

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LIABILITY ADDITIONAL COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

This Index is a quick reference to the various coverages and causes of loss provided by this endorsement. No coverage is provided by this index. Refer to the pages indicated to determine the scope of your insurance coverage.

Index of Coverages

Coverage	Page
SUPPLEMENTARY PAYMENTS (BAIL BONDS)	1
FIRE, LIGHTNING AND EXPLOSION DAMAGE TO PREMISES YOU RENT	1
LIMITED EXCEPTION FOR A SHORT-TERM POLLUTION EVENT	2
NON-OWNED WATERCRAFT	2
AGGREGATE LIMITS OF INSURANCE (PER LOCATION)	2
BODILY INJURY (MENTAL ANGUISH)	3
PRIMARY AND NONCONTRIBUTORY (OTHER INSURANCE)	3

SUPPLEMENTARY PAYMENTS (BAIL BONDS)

SUPPLEMENTARY PAYMENTS – COVERAGES A AND B Paragraph **1.b.** is amended to read as follows:

b. Up to $1,000 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.

FIRE, LIGHTNING AND EXPLOSION DAMAGE TO PREMISES YOU RENT

If DAMAGE TO PREMISES RENTED TO YOU under COVERAGE A is not otherwise excluded from this policy, the following applies:

A. SECTION I – COVERAGE A, 2. Exclusions, the last paragraph is amended to read as follows:

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

B. SECTION III - LIMITS OF INSURANCE Paragraph **6.** is amended to read as follows:

6. Subject to Paragraph **5.** above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage **A** for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, lightning or "explosion", while rented to you or temporarily occupied by you with permission of the owner.

C. SECTION IV – CONDITIONS Item **4.** Other Insurance, Paragraph **b.** Excess Insurance is amended to add the following:

This insurance is excess over:

Any of the other insurance, whether primary, excess, contingent or on any other basis:

For Lightning or "Explosion" insurance for premises rented to you or temporarily occupied by you with permission of the owner.

D. For the purpose of this endorsement, SECTION V – DEFINITIONS Paragraph **9.a.** of "Insured contract" is amended to read as follows:

9. "Insured contract" means:

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a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire, lightning or "explosion" to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";

E. For the purpose of this endorsement, SECTION V – DEFINITIONS is amended to add the following definition:

"Explosion" means a sudden release of expanding pressure accompanied by a noise, an eruption of material and the scattering of debris to locations further than would have resulted by gravity alone.

"Explosion" does not include any of the following:

1. Artificially generated electrical current including electrical arcing that disturbs electrical devices, appliances or wires;

2. Rupture or bursting of water pipes;

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

4. Rupture or bursting caused by centrifugal force.

LIMITED EXCEPTION FOR A SHORT-TERM POLLUTION EVENT

SECTION I – COVERAGE A, 2. Exclusions, paragraph **f.** POLLUTION Items **(1)(a)** and **(1)(d)** are amended to include:

(iv) "Bodily Injury" or "property damage" arising out of a "short-term pollution event" provided you notify us of the "short-term pollution event" as soon as practicable, but no more than fourteen (14) days after its ending. However, failure to give notice within the time prescribed shall not invalidate any claim made by the insured or by any other claimant if it shall be shown not to have been reasonably possible to give such notice within the prescribed time and that notice was given as soon as was reasonably possible.

For the purpose of this endorsement, SECTION V DEFINITIONS is amended to add the following definition:

"Short-term pollution event" means a discharge, dispersal, release or escape of "pollutants" which:

a. Begins during the policy period;

b. Begins at an identified time and place;

c. Ends, in its entirety, at an identified time within forty-eight (48) hours of the beginning of the discharge, dispersal, release or escape of the"pollutants";

d. Is not a repeat or resumption of a previous discharge, dispersal, release or escape of the same pollutant from essentially the same source within twelve (12) months of a previous discharge, dispersal, release or escape;

e. Does not originate from an "underground storage tank"; and

f. Is not heat, smoke or fumes from a "hostile fire".

To be a "short-term pollution event", the discharge, dispersal, release or escape of "pollutants" need not be continuous. However, if the discharge, dispersal, release or escape is not continuous, then all discharges, dispersals, releases or escapes of the same "pollutants" from essentially the same source, considered together, must satisfy Provisions **a.** through **f.** of this definition to be considered a "short-term pollution event".

"Underground storage tank" means any storage tank, including any attached pumps, valves or piping, buried below the surface of the ground or water, or which, at any time, had been buried under the surface of the ground or water and then subsequently exposed by any means. For the purposes of this definition, buried means that at least 10% of it is below the surface of the ground or water.

The most we will pay is $25,000 for the sum of all such "bodily Injury" or "property damage" arising out of a "short-term pollution event" occurring during each separate 12 month period of this policy.

NON-OWNED WATERCRAFT

SECTION I – COVERAGE A, 2. Exclusions, paragraph **g.(2)** is amended to read as follows:

(2) A watercraft you do not own that is:

(a) Less than 51 feet long; and

(b) Not being used to carry persons or property for a charge;

AGGREGATE LIMITS OF INSURANCE (PER LOCATION)

SECTION III - LIMITS OF INSURANCE is amended to add the following:

The General Aggregate Limit applies separately to each "location" owned by or rented to you or temporarily occupied by you with the permission of the owner.

For the purpose of this endorsement, SECTION V DEFINITIONS is amended to add the following definition:

"Location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad.

The provisions of SECTION III - LIMITS OF INSURANCE that were not modified by this endorsement shall continue to apply as stipulated.

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BODILY INJURY (MENTAL ANGUISH)

SECTION V – DEFINITIONS Paragraph **3.** "Bodily Injury" is amended to read as follows:

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including mental anguish or death resulting from any of these at any time.

PRIMARY AND NONCONTRIBUTORY (OTHER INSURANCE)

SECTION IV – CONDITIONS Item **4.** Other Insurance is amended to add the following:

Primary And Noncontributory Insurance

This insurance is primary to and will not seek contribution from any other insurance available to an additional insured under your policy provided that:

(1) The additional insured is a Named Insured under such other insurance; and

(2) You have agreed in writing in a contract or agreement that this insurance would be primary and would not seek contribution from any other insurance available to the additional insured.

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TOBACCO HEALTH HAZARD EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

A. Paragraph **2. Exclusions** of **SECTION I – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY** and Paragraph **2. Exclusions** of **SECTION I – COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY** are amended to add the following:

This insurance does not apply to any liability or damages, including expenses for investigation of defense, arising out of or allegedly arising out of:

1. "Health hazards" from the use of "tobacco products";
2. "Health hazards" caused by or contributed to by second-hand smoke from "tobacco products";
3. The furnishing of "tobacco products" to a person under the legal smoking age;
4. The manufacture, sale, handling, or distribution of "tobacco products";
5. Any statute, ordinance, or regulation relating to the sale, gift, distribution, or use of "tobacco products"; or
6. Any act or failure to act in connection with "tobacco products", including without limitation
   a. the providing of or failure to provide warnings or instructions;
   b. the promotion of the use or consumption of "tobacco products";
   c. any warranties or representations made at any time with respect to the fitness, quality, durability or performance of "tobacco products".

B. For the purposes of this endorsement, **SECTION V – DEFINITIONS** is amended to add the following:

1. "Health hazards" include, but are not limited to, the actual or alleged emergence, contraction, aggravation or exacerbation or fear of the emergence, contraction, aggravation or exacerbation of any form of cancer, cancerous or precancerous condition, arteriosclerosis, heart disease, emphysema, lung disease or any other injury, disease, malady or impairment of the health of the human body arising out of, in whole or in part, the:
   a. Ingestion, consumption, inhalation or use of; or
   b. Exposure to the ingestion, consumption, inhalation or use of;

   any "tobacco product".
2. "Tobacco product" includes, but is not limited to, tobacco (including raw and cured tobacco), cigars and cigar wrappers, pipes and pipe tobacco, cigarette filters, snuff, chewing tobacco, smokeless tobacco products, tobacco substitutes, cigarettes and cigarette paper, gaseous or solid residues or byproducts of tobacco use or consumption, smoke from any of the above, and any chemical, mineral, or other product sprayed on, applied to or found within or used in conjunction with, any of the above.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT

(Broad Form)

This endorsement modifies insurance provided under the following:

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

1. The insurance does not apply:

A. Under any Liability Coverage, to "bodily injury" or "property damage":

(1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or

(2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which **(a)** any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or **(b)** the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

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

C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:

(1) The "nuclear material" **(a)** is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or **(b)** has been discharged or dispersed therefrom;

(2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or

(3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion **(3)** applies only to "property damage" to such "nuclear facility" and any property thereat.

2. As used in this endorsement:

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

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

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

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

"Waste" means any waste material **(a)** containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and **(b)** resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

(a) Any "nuclear reactor";

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

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

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

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

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

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

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NORTH CAROLINA AMENDATORY ENDORSEMENT (FOR CYBER LIABILITY)

This endorsement modifies insurance provided under the following:

CYBER LIABILITY COVERAGE

SECTION V. EXTENDED REPORTING PERIOD, paragraphs C. and D. are deleted in their entirety and replaced with the following:

C. All terms and conditions of this Endorsement, including the limits of liability set forth in Section II – Limits of Liability, will continue to apply during the Automatic Extended Reporting Period. The existence of the Automatic Extended Reporting Period will not increase or reinstate any "each **claim** limit", "each **first party insured event** limit" or "annual aggregate limit".

D. The aggregate limit of insurance for the Supplemental Extended Reporting Period, if purchased, will be equal to the unimpaired dollar amount stated in the **SCHEDULE** under "Annual Aggregate Limit". All other terms and conditions of this Endorsement shall continue to apply during the Supplemental Extended Reporting Period.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – HOMEOWNERS ASSOCIATIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

WHO IS AN INSURED (Section **II**) is amended to include each individual homeowner, but only with respect to liability as a member of the homeowners association and not with respect to any liability arising out of the ownership, maintenance, use or repair of the real property to which the owner has title.

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EMPLOYMENT PRACTICES LIABILITY INSURANCE COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

THIS INSURANCE PROVIDES CLAIMS MADE AND REPORTED COVERAGE. DEFENSE EXPENSE IS PAYABLE WITHIN, AND NOT IN ADDITION TO, THE LIMITS OF INSURANCE AND IS SUBJECT TO THE DEDUCTIBLE. PAYMENT OF DEFENSE EXPENSE WILL REDUCE THE LIMIT OF INSURANCE AND THE DEDUCTIBLE.

THIS COVERAGE CONSISTS OF: (I) THIS EMPLOYMENT PRACTICES LIABILITY COVERAGE ENDORSEMENT; (II) THE DECLARATIONS PAGE OF THE POLICY TO WHICH THIS ENDORSEMENT IS ATTACHED; (III) THE COMMON POLICY CONDITIONS; AND (IV) ANY ENDORSEMENTS WHICH MAY MODIFY (I), (II) OR (III) ABOVE. PLEASE READ THIS ENTIRE COVERAGE CAREFULLY TO DETERMINE RIGHTS, DUTIES, COVERAGE AND COVERAGE RESTRICTIONS.

SCHEDULE

Employment Practices Liability Limits Of Insurance:	
Each "Claim" Limit	**$**
Aggregate Limit	**$**
Deductible:	
Each "Claim"	**$**
Retroactive Date:	
(Enter date. If left blank, the entry will be deemed the same as the inception of the policy period shown in the Declarations.)	
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

Throughout this Coverage, the words "you" and "your" refer to the Named Insured shown in the Declarations and any other person or organization qualifying as a Named Insured under this Coverage. The words "we", "us" and "our" refer to the Company providing this insurance. The word "insured" means any person or organization qualifying as such under **SECTION II – WHO IS AN INSURED**.

All words and phrases that appear in quotation marks have special meaning. Refer to **SECTION VII – DEFINITIONS**.

SECTION I – COVERAGE

In consideration of the payment of premium and subject to the limits of insurance, deductible, conditions, exclusions, definitions, and other terms of this Coverage, we agree with you as follows:

1. Insuring Agreement

a. We will pay on behalf of the insured "damages" in excess of the Deductible arising out of any "employment practices" to which this insurance applies.

We have no obligation under this insurance to make payments or perform acts or services except as provided for in this paragraph and in paragraph **2.** below.

b. This insurance applies to such "damages" only if:

(1) The "damages" result from "claims" made by:

(a) "Employees";

(b) "Leased workers";

(c) "Temporary workers";

(d) Former "employees"; or

(e) Applicants for employment by you;

(2) The "employment practices" take place in the "coverage territory";

(3) Such "employment practices" occurred:

(a) After the Retroactive Date, if any, shown in the Schedule; and

(b) Before the end of the policy period; and

(4) A "claim" is both:

(a) First made against any insured, in accordance with paragraph **c.** below, during the policy period or any Extended Reporting Period we provide under **SECTION VI – EXTENDED REPORTING PERIODS**; and

(b) Reported to us either **(i)** during the policy period or within thirty (30) days thereafter; or **(ii)** with respect to any "claim" first made during any Extended Reporting Period we provide under **SECTION VI – EXTENDED REPORTING PERIODS**, during such Extended Reporting Period.

c. A "claim" will be deemed to have been made at the earlier of the following times:

(1) When notice of such "claim" is received and recorded by you or by us, whichever comes first; or

(2) When we make settlement in accordance with paragraph **2.b.(2)** below.

d. All "claims" by one or more claimants for "damages" based on or arising out of:

(1) One "employment practice"; or

(2) An "interrelated" series of "employment practices";

by one or more insureds shall be deemed to be one "claim" and to have been made at the time the first of those "claims" is made against any insured.

e. Each payment we make for "damages" or "defense expense" reduces the amount of insurance available, as provided under **SECTION III – LIMITS OF INSURANCE**.

2. Defense of Claims, Administrative Hearings & Settlement Authority

Subject to the limits of insurance, deductible, conditions, exclusions, definitions, and other terms of this Coverage:

a. We have the right and duty to defend "claims" against the insured seeking "damages" to which this insurance applies and to pay for related "defense expense."

However, we have no duty to:

(1) Defend "claims" against the insured seeking "damages"; or

(2) Pay for related "defense expense",

when this insurance does not apply.

b. We may, at our sole discretion:

(1) Investigate any "employment practice" that may result in "damages"; and

(2) Settle any "claim" which may result, provided:

(a) We have the insured's written consent to settle; and

(b) The settlement is within the applicable limit of insurance available.

c. Our liability will be limited as described below if:

(1) The insured refuses to consent to any settlement we recommend; and

(2) Such recommended settlement is acceptable to the claimant.

After such refusal, our liability under this Coverage for such "claim" shall not exceed the amount we would have paid for "damages" and "defense expense" if the insured had consented to our settlement recommendation. The insured shall thereafter be responsible for the negotiation and defense of that "claim" at their own cost and without our involvement.

d. Our right and duty to defend such "claims" ends when we have used up the limit of insurance available, as provided under **SECTION III – LIMITS OF INSURANCE**. This applies both to "claims" pending at that time and any that may be made.

e. (1) When we control defense of a "claim", we will pay associated "defense expense" and choose a counsel of our choice from the panel of attorneys we have selected to deal with "employment practices" "claims".

However, if you give us a specific written request at the time a "claim" is first made:

(a) You or any involved insured may select one of our panel of employment law attorneys; or

(b) You or such insured may ask us to consider the approval of a defense attorney of your or that insured's choice who is not on our panel.

We will then use the attorney selected in **(a)** above, or consider the request in **(b)** above, if we deem it appropriate to engage counsel for such "claim".

(2) If by mutual agreement or court order the insured assumes control of the defense before the applicable limit of insurance is used up, the insured will be allowed to select defense counsel and we will reimburse the insured for reasonable "defense expense". You and any involved insured must:

(a) Continue to comply with **SECTION V – CONDITIONS, 2. Duties in Event of "Employment Practices" or "Claims"**.

(b) Direct defense counsel to:

(1) Furnish us with the additional information we request to evaluate the "employment practices" or "claim"; and

(2) Cooperate with any counsel we may select to monitor or associate in the defense of the "employment practices" or "claim".

If we defend any insured under a reservation of rights, both such insured's counsel and our counsel will be required to maintain records pertinent to "defense expenses". These records will be used to determine the allocation of any "defense expenses" for which you or any insured may be solely responsible, including defense of an allegation not covered by this insurance.

We will notify you in writing when the applicable limit of insurance has been used-up by the payment of judgments, settlements or "defense expense". We will also initiate and cooperate in the transfer of defense of any "claim" to an appropriate insured for whom the duty to defend has ended by reason of paragraph **2.d.** above.

f. Upon notice to us and with our prior approval, the first Named Insured is authorized to act on behalf of all insureds with respect to the payment of "damages" in settlement of any Administrative Hearing or other non-judicial proceeding before the Federal Equal Employment Opportunity Commission, or any similar Federal, state or local body or commission. This authorization is limited to the sum of:

(1) "Damages" covered by this Coverage; and

(2) "Defense expenses", as defined in paragraph **5.d.** in **SECTION VII – DEFINITIONS;**

in a total amount not to exceed two times the amount of the deductible stated in the Schedule.

3. Exclusions

This insurance does not apply to "claims" based on, arising out of, or in any way involving:

a. **(1)** "Employment practices" which were the subject of any demand, suit or other proceeding which was initiated against any insured; or

(2) Facts and circumstances which would cause a reasonable person to believe a "claim" would be made and which were known to any insured;

prior to the effective date of the earlier of:

(i) The first Coverage of this type that we issued to you of which this Coverage was an uninterrupted renewal of this type of coverage; or

(ii) This Coverage.

b. Loss of any benefit conferred or loss of any obligation imposed under an express contract of employment.

c. Any obligation to pay "damages" by reason of the assumption of liability in any contract or agreement.

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

d. Liability arising under any of the following laws:

(1) Any workers compensation, disability benefits or unemployment compensation law, or any similar law.

However, this exclusion shall not apply to any "claim" based upon, arising from or in consequence of any actual or alleged retaliatory treatment of the claimant by the insured on account of the claimant's exercise of rights pursuant to any such law;

(2) Employees' Retirement Income Security Act of 1974, Public Law 93-406, (ERISA) as now or hereafter amended, or any similar state or other governmental law. This includes:

(a) Fiduciary liability;

(b) Liability arising out of the administration of any employee benefit plan; and

(c) Any other liability under any such laws;

(3) The Fair Labor Standards Act, or any state or common law wage or hour law, including, but not limited to laws governing minimum wages, hours worked, overtime compensation and including any recordkeeping and reporting related thereto.

This exclusion includes actions or claims brought by or on behalf of individuals or agencies seeking wages, fines, penalties, taxes, disgorgement or other affirmative relief or compensation.

This exclusion does not include claims based on the Equal Pay Act or retaliation related to Equal Pay Act claims;

(4) The National Labor Relations Act;

(5) The Worker Adjustment and Retraining Notification Act (Public Law 100-379);

(6) The Consolidated Omnibus Budget Reconciliation Act of 1985; or

(7) The Occupational Safety and Health Act.

This exclusion **d. (1) – (7)** also applies to:

(i) Any rules or regulations promulgated under any of the foregoing and amendments thereto,

(ii) Any similar provisions of any federal, state or local law,

(iii) That part of any "damages" awarded for the cost or replacement of any insurance benefits due or alleged to be due to any current or former "employee"; and

(iv) Any "claim" based upon, arising from or in consequence of any actual or alleged retaliatory treatment of the claimant by the insured on account of the claimant's exercise of rights pursuant to any such law described in this item **d.** This provision **d.(iv)** does not apply to the specific retaliation exceptions shown in items **d.(1)** and **d.(3)** above.

e. Oral or written publication of material, if such material:

(1) Was published by or at the direction of the insured with knowledge of the material's falsity; or

(2) Was first published before the Retroactive Date, if any, shown in the Schedule.

f. Dishonest, criminal or fraudulent acts of the insured.

g. The willful failure by the insured or with the insured's consent to comply with any law or any governmental or administrative order or regulation relating to "employment practices".

Willful, as used in this exclusion **g.**, means acting with intentional or reckless disregard for such employment related laws, orders or regulations.

The enforcement of this exclusion against any insured shall not be imputed to any other insured.

h. "Bodily injury".

i. "Employment practices" which occur when or after:

(1) You file for or are placed in any bankruptcy, receivership, liquidation or reorganization proceeding; or

(2) Any other business entity acquires an ownership interest in you, which is greater than fifty percent.

j. Costs of complying with physical modifications to your premises or any changes to your usual business operations as mandated by the Americans with Disabilities Act of 1990 including any amendment thereto, or any similar federal, state or local law.

This exclusion also applies to any "claim" based upon, arising from or in consequence of any actual or alleged retaliatory treatment of the claimant by the insured on account of the claimant's exercise of rights pursuant to any such law described in this item **j.**

k. Lockout, strike, picket line, related worker replacements or other similar actions resulting from labor disputes or labor negotiations.

This exclusion also applies to any "claim" based upon, arising from or in consequence of any actual or alleged retaliatory treatment of the claimant by the insured on account of the claimant's exercise of rights pursuant to labor disputes or labor negotiations.

l. Access to or disclosure of confidential or personal information, including financial, health, employment or any other type of nonpublic information.

SECTION II – WHO IS AN INSURED

1. For purposes of this insurance, if you are designated in the Declarations as:

a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.

b. A partnership or joint venture, you are an insured. Your current or former members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.

c. A limited liability company, you are an insured. Your current or former members are also insureds, but only with respect to the conduct of your business. Your current or former managers are insureds, but only with respect to their duties as your managers.

d. An organization other than a partnership or joint venture, you are an insured. Your current or former directors are insureds, but only with respect to their duties as your directors.

2. Your current or former "employees" are also insureds, but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.

3. Any heirs, executors, administrators, assignees or legal representatives of any individual insured in paragraphs **1.** and **2.** above, in the event of the death, bankruptcy or incapacity of such insured, shall be insureds, but only to the extent this insurance would have been available to such insured but for their death, bankruptcy or incapacity.

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

   a. You must provide us notice of such acquisition or formation within 30 days of the effective date of your acquisition or formation;

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

   c. Coverage does not apply to any "employment practices" that occurred before you acquired or formed the organization; and

   d. You must pay us any additional premium due as a condition precedent to the enforceability of this additional extension of coverage.

   This paragraph does not apply to any organization after it is shown in the Declarations.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

SECTION III – LIMITS OF INSURANCE

1. The limit of insurance stated as Aggregate Limit on the Schedule is the most we will pay for the sum of:

   a. "Damages" for all "claims" arising out of any actual or alleged "employment practices" covered by this insurance; and

   b. "Defense expense" for all "claims" seeking "damages" payable under paragraph **1.a.** above.

   Each payment we make for such "damages" or "defense expenses" reduces the Aggregate Limit by the amount of the payment.

   This reduced limit will then be the amount of insurance available for further "damages" and "defense expenses" under this Coverage.

2. Subject to paragraph **1.** above, the limit of insurance stated as the Each "Claim" Limit on the Schedule is the most we will pay in excess of the deductible, as further described in **SECTION IV – DEDUCTIBLE**, for the sum of:

   a. "Damages":

      (1) For injury arising from "employment practices" covered by this insurance; and

      (2) Arising out of one "claim"; and

   b. "Defense expense" associated with that specific "claim" in paragraph **2.a**. above.

3. In addition to the payments for "damages" and "defense expense" in paragraphs **1.** and **2.** above, we will also pay all interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the amount available for the judgment under the provisions of paragraphs **1.** and **2.** above.

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

SECTION IV – DEDUCTIBLE

1. A deductible applies to all "damages" for injury arising from "employment practices" and any "defense expense" however caused.
2. Our obligation to pay "damages" and "defense expense" on behalf of any insured applies only to the sum of the amount of "damages" and "defense expense" for any one "claim" which are in excess of the deductible amount stated on the Schedule.
3. Your obligation is to pay the deductible applicable to each "claim" made against this insurance. That deductible applies to the sum of all "damages" because of injury arising from "employment practices" paid for any one "claim" and applicable "defense expense" associated therewith. If there should be no "damages" paid for a "claim", you are still obligated to pay the applicable deductible for any "defense expense" incurred by us in connection with that "claim".
4. The terms of this insurance apply irrespective of the application of the deductible, including those with respect to:
   a. Our right and duty to defend any "claims" seeking those "damages"; and
   b. Your and any involved insured's duties in the event of a "claim".
5. We may pay any part or all of the deductible to effect settlement of any "claim" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible as we may have paid for "damages" or "defense expense".
6. The application of the deductible does not reduce the applicable limits of insurance.

SECTION V – CONDITIONS

1. **Bankruptcy**

   Subject to exclusion **i.(1)**, the bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this insurance.

2. **Duties in the Event of "Employment Practices" or "Claims"**
   a. You must see to it that we are notified as soon as practicable of any specific "employment practices" which you believe may result in an actual "claim". Your belief must be reasonably certain as the result of specific allegations made by a potential claimant or such potential claimant's representative, or as the result of specifically identifiable injury sustained by a potential claimant. Notices of "employment practices" should include the following detailed information:
      (1) How, when and where such "employment practices" took place;
      (2) The names and addresses of any potential claimants and witnesses; and
      (3) The nature of any injury arising out of such "employment practices".

      Notice of such "employment practices" is not notice of a "claim", but preserves any insured's rights to future coverage for subsequent "claims" arising out of such "employment practices" as described in the Basic Extended Reporting Period of **SECTION VI – EXTENDED REPORTING PERIODS**.
   b. If a "claim" is received by any insured:
      (1) You must immediately record the specifics of the "claim" and the date received;
      (2) You and any other involved insured must see to it that we receive written notice of the "claim", as soon as practicable, but in any event we must receive notice either:
         (a) During the policy period or within thirty (30) days thereafter; or
         (b) With respect to any "claim" first made during any Extended Reporting Period we provide under **SECTION VI – EXTENDED REPORTING PERIODS**, during such Extended Reporting Period.

      As a condition precedent for coverage under this insurance, notice of a "claim" must include the detailed information required in paragraphs **2.a.(1), (2)** and **(3)** above; and

(3) You and any other involved insured must:

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

(b) Authorize us to obtain records and other information;

(c) Cooperate with us in the investigation, settlement or defense of the "claim"; and

(d) Assist us, upon our request, in the enforcement of any right against any person or organization, which may be liable to the insured because of injury or damage to which this insurance may also apply.

c. No insureds will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent, other than those specific payments authorized under paragraph **2.f.** of **Defense of Claims, Administrative Hearings & Settlement Authority** in **SECTION I – COVERAGE.**

3. Legal Action Against Us

No person or organization has a right under this Coverage:

a. To join us as a party or otherwise bring us into a "claim" seeking "damages" from any insured; or

b. To sue us on this Coverage unless all of its terms have been fully complied with.

Any person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial, but we will not be liable for "damages" that are not payable under the terms of this Coverage or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. Other Insurance

If other valid and collectible insurance is available to the insured for "damages" or "defense expense" we cover under this Coverage, our obligations are limited as follows:

a. As this insurance is primary insurance, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in paragraph **b.** below.

b. If all of the other insurance permits contribution by equal shares, we will follow this method also.

Under this method, each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits.

Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. Payment of Premiums and Deductibles Amounts

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

b. The first Named Insured shown in the Declarations is responsible for the payment of all premiums and deductibles due and will be the payee for any return premiums we pay.

6. Representations

By accepting this Coverage you agree:

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

b. Those statements are based upon representations you made to us; and

c. We have issued this Coverage in reliance upon your representations.

7. Separation Of Insureds

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

a. As if each Named Insured were the only Named Insured; and

b. Separately to each insured against whom "claim" is made.

8. Transfer Of Rights Of Recovery Against Others To Us

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

9. When We Do Not Renew

If we decide not to renew this insurance, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date. If notice is mailed, proof of mailing will be sufficient proof of notice.

SECTION VI – EXTENDED REPORTING PERIODS

1. a. We will provide Extended Reporting Periods, as described below, if:

(1) This Coverage is cancelled or not renewed for any reason other than due to:

(a) Nonpayment of premium;

(b) Failure to comply with terms or conditions of the Coverage; or

(c) Fraud;

(2) This Coverage is renewed with insurance that does not apply on a claims-made basis;

(3) This Coverage is modified so that it has a Retroactive Date later than the date shown in the Schedule; or

(4) We renew or replace this Coverage with insurance that has a reduction in coverage other than:

(a) A reduction in limits; or

(b) An increase in deductible amount.

b. When we provide Extended Reporting Periods as provided under paragraph **1.(a)(4)** above, coverage shall apply only to the portion of coverage that has been reduced.

2. Extended Reporting Periods are an extension of time allowed for coverage to apply for "claims" first made against any insured and for those "claims" to be reported to us. Extended Reporting Periods do not extend the policy period or change the scope of coverage provided. They apply only to "claims" as the result of "employment practices" committed after the Retroactive Date, if any, shown in the Schedule and before the end of the policy period. Once in effect, Extended Reporting Periods may not be cancelled.

3. A Basic Extended Reporting Period is automatically provided without additional charge.

a. This period starts on the day the Extended Reporting Period is triggered as described in paragraph **1.** above and lasts for:

(1) Five years with respect to "claims" arising out of "employment practices" which had been properly reported to us before the end of the policy period in accordance with paragraph **Section V. 2., Duties in the Event of "Employment Practices" or "Claims"**; and

(2) Sixty-days with respect to "claims" arising from "employment practices" not previously reported to us.

b. This period does not:

(1) Reinstate or increase the limits of insurance; or

(2) Apply to "claims" that are covered under any subsequent insurance you purchase, or that would be covered but for exhaustion of the limit of insurance applicable to such "claims".

4. A Supplemental Extended Reporting Period of either twelve (12) or thirty-six (36) months duration is available, but only by endorsement and for an extra charge.

a. This supplemental period starts when the Basic Extended Reporting Period set forth in paragraph **3.a.(2)** above ends.

b. You must give us a written request for this optional coverage, and its length, within 30 days after the end of the policy period.

c. The Supplemental Extended Reporting Period will not go into effect unless you pay the additional premium when due.

d. We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:

(1) The exposures insured;

(2) Previous types and amounts of insurance;

(3) Limits of insurance available under this endorsement for future payment of "damages" or "defense expense"; and

(4) Other related factors.

The additional premium will not exceed 200% of the annual premium for this Coverage.

5. Coverage provided by a Supplemental Extended Reporting Period Endorsement shall apply excess over any other valid and collectible insurance available under policies in force after the Supplemental Extended Reporting Period begins.

6. When the Supplemental Extended Reporting Period Endorsement is in effect, we will provide a Supplemental Extended Reporting Period Limit of Insurance for any "claim" first made during the Supplemental Extended Reporting Period. The Supplemental Extended Reporting Period Limit of Insurance will be equal to the unimpaired dollar amount stated in the Schedule under Aggregate Limit on the day the Extended Reporting Period is triggered as described in paragraph **1.** above.

SECTION VII – DEFINITIONS

1. **"Bodily injury"** means physical injury to the body, sickness or disease sustained by a person as the result of direct physical injury to the body, including death resulting from any of these at any time. "Bodily injury" does not include mental anguish that results from an "employment practice".

2. **"Claim"** means written or oral notice presented by:

a. Any "employee," "leased worker," "temporary worker," former "employee" or applicant for employment by you; or

b. The EEOC or any other federal, state or local administrative or regulatory agency on behalf of a person described in paragraph **2.a.** above,

alleging that the insured is responsible for "damages" as a result of injury arising out of any "employment practices".

"Claim" includes any civil proceeding in which either "damages" are alleged or fact finding will take place, when either is the result of any "employment practice" to which this insurance applies. This includes:

(i) An arbitration proceeding in which such "damages" are claimed and to which the insured submits with our consent;

(ii) Any other alternative dispute resolution proceeding in which such "damages" are claimed and to which the insured submits with our consent; or

(iii) Any administrative proceedings as established under federal, state or local laws applicable to "employment practices" covered under this insurance.

3. **"Coverage territory"** means:

a. The United States of America (including its territories and possessions) and Puerto Rico; or

b. Anywhere in the world with respect to the activities of a person whose place of employment is in the territory described in paragraph **3.a.** above, while he or she is away for a short time on your business, provided that the insured's responsibility to pay "damages" is determined in a suit on the merits (or any type of civil proceeding described under the definition of "claim") in and under the substantive law of the United States of America (including its territories and possessions) or Puerto Rico.

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

"Damages" include:

a. "Pre-judgment interest" awarded against the insured on that part of the judgment we pay;

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

c. Statutory attorney fees.

"Damages" do not include:

(1) Civil, criminal, administrative or other fines or penalties;

(2) Equitable relief, injunctive relief, declarative relief or any other relief or recovery other than money; or

(3) Judgments or awards because of acts deemed uninsurable by law.

5. **"Defense expense"** means payments allocated to a specific "claim" for its investigation, settlement, or defense, including:

a. Attorney fees and all other litigation expenses.

b. The cost of bonds to appeal a judgment or award in any "claim" we defend. We do not have to furnish these bonds.

c. The cost of bonds to release attachments, but only for bond amounts within the amount of insurance available. We do not have to furnish these bonds.

d. Reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of any "claim", including actual loss of earnings up to $250 a day because of time off from work.

e. All court costs taxed against the insured in the "claim". However, these payments do not include attorney's fees or attorney's expenses taxed against the insured.

"Defense expense" does not include:

(1) Salaries and expenses of our employees or your "employees", other than:

(a) That portion of our employed attorneys' fees, salaries and expenses allocated to a specific "claim" for the defense of the insured; or

(b) The expenses described in paragraph **d.** above; or

(2) Interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the amount available for the judgment under the provisions of **SECTION III – LIMITS OF INSURANCE**.

6. **"Employee"** means:

a. A person employed by you for wages or salary;

b. A person who is a current or former member of your board of directors; or

c. A "temporary worker".

However, "employee" does not include any:

(1) Independent contractor;

(2) Any employees of any independent contractor while acting within the scope of their employment; or

(3) Any "leased worker".

7. **"Employment Practices"** means any of the following actual or alleged acts by you that are directed against any of your:

   a. "Employees";

   b. "Leased workers";

   c. Former "employees"; or

   d. Applicants for employment,

   for which damages are sought under any employment related federal, state, or local civil statute or common law:

   (1) Wrongful refusal to employ a qualified applicant for employment;

   (2) Wrongful failure to promote;

   (3) Wrongful deprivation of career opportunity;

   (4) Wrongful demotion, evaluation, reassignment or discipline;

   (5) Wrongful termination of employment, including constructive discharge;

   (6) Employment related misrepresentation;

   (7) Harassment, coercion, discrimination or humiliation as a consequence of race, color, creed, national origin, marital status, medical condition, gender, age, physical appearance, physical and/or mental impairments, pregnancy, sexual orientation or sexual preference or any other protected class or characteristic established by any applicable federal, state or local statute; or

   (8) Oral or written publication of material that:

      (a) Slanders;

      (b) Defames or libels; or

      (c) Violates or invades a right of privacy.

8. **"Interrelated"** means having as a common nexus any fact, circumstance, situation, event, transaction, cause or series of related facts, circumstances, situations, events, transactions or causes.

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

10. **"Pre-judgment interest"** means interest added to a settlement, verdict, award or judgment based on the amount of time prior to the settlement, verdict, award or judgment, whether or not made part of the settlement, verdict, award or judgment.

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CYBER LIABILITY ENDORSEMENT CLAIMS-MADE AND REPORTED COVERAGE WITH DEFENSE COSTS AND LEGAL EXPENSES PAID WITHIN THE LIMITS OF LIABILITY

I. WHAT IS COVERED

We agree to pay (1) **loss** resulting from a **claim** for an actual or alleged **wrongful act** and (2) **first party costs** resulting from a **first party insured event**, but only if:

A. With respect to a **claim** for **wrongful acts**:

1. The **claim** is first made against **you** during the policy period. A **claim** will be deemed to be first made against **you** when **you** receive written notice of the **claim**;
2. The entirety of the **wrongful act** takes place on or after the initial effective date of **your** Cyber Liability coverage;
3. The **claim** is reported to **us** in writing no later than sixty (60) days after the **claim** is first made against **you**; and
4. The **claim** does not arise from any **wrongful acts**, incidents, events, facts or circumstances of which **you** or any of **your** employees, directors, officers or principals had knowledge prior to the initial effective date of **your** Cyber Liability coverage.

B. With respect to **first party insured events**:

1. The entirety of the **first party insured event** takes place on or after the initial effective date of **your** Cyber Liability coverage;
2. The **first party insured event** is discovered by **you** or **your** employees during the policy period;
3. The **first party insured event** is reported to **us** no later than sixty (60) days after **you** or **your** employees first discover the **first party insured event**; and
4. The **first party insured event** does not arise from any incidents, events, facts or circumstances of which **you** or any of **your** employees, directors, officers or principals had knowledge prior to the initial effective date of **your** Cyber Liability coverage.

II. LIMITS OF LIABILITY

A. Each **claim** limit:	$100,000
B. Each **first party insured event** limit:	$100,000
C. Annual aggregate limit:	$100,000

D. The "each **claim** limit" is the most **we** will pay for any one **claim**. The "each **first party insured event** limit" is the most **we** will pay for any one **first party insured event**. The "annual aggregate limit" is the most **we** will pay for the sum of all **claims** made against **you**, and all **first party insured events** reported to **us**, during the **policy period** or during the automatic extended reporting period. If the "annual aggregate limit" is exhausted, **our** obligations under this Endorsement will be deemed completely fulfilled and extinguished. The "each **claim** limit," "the each **first party insured event** limit" and the "annual aggregate limit" include defense costs and legal expenses.

III. WHAT IS NOT COVERED

We are not obligated to defend any **claim** or to pay any **loss** or **first party costs** based upon, arising from, attributable to, or in any way involving:

A. Any **wrongful act** or **first party insured event**, if, prior to the original inception date of **your** Cyber Liability coverage, such **wrongful act** or **first party insured event** was: (1) reported to any insurer; (2) the subject of any

written demand for monetary damages or legal or administrative proceedings received by an **insured**; (3) identified or disclosed to **us** in connection with **your** insurance application; or (4) known to **you** or **your** employees, directors, officers or principals.

B. Liability **you** assume under any contract or agreement. This exclusion does not apply to: (1) liability **you** would have in the absence of the contract or agreement, provided such liability is otherwise covered under this Endorsement; (2) with respect to any actual or alleged **wrongful act**, liability for **loss** which **you** assume in the form of a written hold harmless or indemnification agreement, provided that such hold harmless or indemnification agreement is executed prior to the date the **wrongful act(s)** take place.

C. Any actual or alleged breach of contract, warranty, guarantee or promise. This exclusion does not apply to: (1) liability **you** would have in the absence of the contract, warranty, guarantee or promise, provided such liability is otherwise covered under this Endorsement; (2) a **claim** alleging breach of **your** privacy policy.

D. Any **claim** brought by or on behalf of an **insured** against another **insured**. This exclusion does not apply to a **claim** brought by **your** employee alleging breach of such employee's personal or confidential information.

E. Any actual or alleged intentional or fraudulent act or omission or intentional violation of law, including **your** use of unlicensed programs. This exclusion does not apply to a **claim** or **first party insured event** resulting from sabotage by **your** employee.

F. **Your** use of programs that are not **operational programs** or **delivered programs**.

G. Any operations and/or services not related to the business or enterprise named in the Policy declaration page or schedule of insureds.

H. Any actual or alleged infringement of any patent or trade secret; or actual or alleged unfair competition, deceptive trade practices or restraint of trade.

I. Satellite failures; the failure of overhead transmission and distribution lines; the gradual deterioration of subterranean insulation; or electrical or mechanical failures or interruption, such as an electrical spike or surge, brownout or blackout; or outages to gas, water, telephone, cable, telecommunications or other infrastructure unless such infrastructure is under **your** direct operational control and the incident forms a part of an otherwise covered **first party insured event**.

J. Any **adverse media report** that also affects or refers in similar terms to a general security issue, an industry, or **your** competitors without any specific allegations regarding a **security breach** or **privacy breach**.

IV. CONDITIONS

A. **We** have the right and duty to defend any **claim**. **We** have the exclusive right to appoint legal counsel for the defense and investigation of any **claim** or **first party insured event**. **We** have the right to investigate, adjust, and request documentation in connection with any **claim** or **first party insured event**.

B. All **claims** arising out of the same or related events, incidents, facts or circumstances shall be considered as one **claim** first made on the date the earliest of such **claims** is first made. Appeals and post-trial proceedings shall be considered as part of the original **claim**. All **first party insured events** arising out of the same or related incidents, facts or circumstances shall be considered as one **first party insured event** first reported to **us** on the date the earlier of such **first party insured events** is reported to **us**. In the event **you** report a **first party insured event** and such **first party insured event** results in a **claim** against **you**, such **claim** will be deemed first made when **we** first receive notice of the **first party insured event**, and only one limit of liability will apply.

C. The coverage provided by this Endorsement is excess of and payable only after all other valid and collectible insurance available to **you** is exhausted. If all other valid and collectible insurance is excess, **we** will pay only the proportionate share of **loss** and/or **first party costs** which the "each **claim** limit" or "**first party insured** event limit" under this Endorsement bears to the total of all limits that apply, but we will not pay more than the "each **claim** limit" or "**first party insured event** limit," whichever applies.

V. AUTOMATIC EXTENDED REPORTING PERIOD

A. In the event of non-renewal of **your** Policy, or termination of **your** Policy for any reason other than non-payment of premium, **we** will provide an automatic extended reporting period of sixty (60) days in which **claims** or **first party insured events** otherwise covered by this Endorsement may be made and reported. Such automatic extended reporting period will commence immediately upon termination or expiration of the Policy and will apply to:

1. Any **claim** which:
   a. arises out of **wrongful act(s)** that take place or first commence on or after the initial effective date of **your** Cyber Liability coverage, but prior to the Policy termination or expiration date; and
   b. is first made against **you** and reported during the automatic extended reporting period.

2. A **first party insured event** which:
   a. occurs or first commences on or after the initial effective date of **your** Cyber Liability coverage, but prior to the Policy termination or expiration date;
   b. is discovered by **you** or **your** employees during the automatic extended reporting period; and
   c. is reported to **us** in writing during the automatic extended reporting period.

B. All terms and conditions of this Endorsement, including the limits of liability set forth in Section II – Limits of Liability, will continue to apply during the automatic extended reporting period.

C. The existence of the automatic extended reporting period will not increase or reinstate any "each **claim** limit," "each **first party insured event** limit" or "annual aggregate limit".

VI. DEFINITIONS:

With respect to the coverage provided by this Endorsement, certain words are shown in bold face print and are defined as follows. Refer to the Definitions section in the Policy for terms that are shown in bold in this Endorsement, but are not defined below. If a term is defined below and in the Policy, the definition below applies to the coverage provided by this Endorsement. All other terms in this Endorsement will be interpreted according to their generally accepted meaning or common customary usage.

Acquiring bank means a bank or financial institution that accepts credit and/or debit card payments (including credit cards, debits cards, stored value cards and pre-paid cards) for products or services on behalf of a merchant, including processing and crediting those payments to a merchant's account.

Act of cyber terrorism means the premeditated use of disruptive activities, or the threat thereof, against computers, computer systems, networks and/or public internet by any person or group(s) of persons, whether acting alone or on behalf of, or in connection with, any organization(s) or government(s) with the intention to intimidate or cause destruction or harm and/or further social, ideological, religious, political or similar objectives. **Act of cyber terrorism** includes, but is not limited to, the use of information technology to organize and execute large-scale attacks against computer systems, networks and/or public internet resulting in disabling and/or deleting critical infrastructure, data or information.

ADCR means the Account Data Compromise Recovery process as established by Visa or similar processes as established by other **card associations**.

Adverse media report means any unpredictable report or communication of an actual or potential **security breach** or **privacy breach**, which has been publicized through any media channel including, but not limited to, television, print media, radio or electronic networks, the internet, and/or electronic mail; and threatens material damage to **your** reputation or **your** brand.

Business associate means any third party independent contractor that provides **you** with business process outsourcing services or information technology services under a written contract with **you** to provide such services.

Card association means Visa International, MasterCard, Discover, JCB, American Express and any similar credit or debit card association that is a participating organization of the Payment Card Industry Security Standards Council.

Claim means: (1) a written demand for monetary damages or other non-monetary relief made against **you**; (2) civil proceedings or arbitration proceedings commenced against **you** by the service of a summons or complaint; (3) written notification of a government investigation commenced against **you**; or (4) a written demand for a **PCI DSS assessment** made against **you** by an **acquiring bank** or **card association**.

Delivered programs mean programs, applications, and software where the development stage has been finalized, having passed all test-runs and been proven successful in a live environment.

First party costs mean the following reasonable and necessary costs and expenses incurred by **you** as a result of a **first party insured event**: (1) **privacy breach** or **security breach** mitigation costs, including legal expenses, forensic investigation fees, public relations and advertising expenses, notification costs, and a maximum of twelve (12) months of credit monitoring and identity restoration services; (2) income loss **you** sustain, business interruption expenses **you** incur, and/or costs **you** incur to restore, replace or recreate **your** electronic data that is damaged, corrupted or destroyed as a direct result of a **network security incident** or an **act of cyber terrorism**; or (3) funds **you** pay to persons reasonably believed to be responsible for a cyber extortion threat made against **you**. **First party costs** do not include: (1) any amounts to repair damage to, or to replace, **your** tangible property, including computer hardware; (2) any liability to third parties for whatever reason, including legal costs and expenses of any type; (3) contractual penalties or consequential damages; or (4) fines, penalties, taxes or sanctions.

First party insured event means: (1) a **security breach** or **privacy breach**; (2) a **network security incident**; (3) a cyber extortion threat; (4) an **act of cyber terrorism**; or (5) an **adverse media report**. **First party insured event** does not include any **claim** made by a third party.

Insured means any person or organization qualifying as such under the Policy to which this Endorsement attaches.

Loss means: (1) damages, judgments, awards, or amounts designated by a government entity as civil or administrative fines or penalties, any of which **you** are legally obligated to pay as a result of a **claim**; (2) settlements negotiated with **our** consent; (3) reasonable and necessary legal fees, costs or expenses incurred in the defense of a **claim**; and (4) a **PCI DSS Assessment**. **Loss** does not include any amounts deemed uninsurable by law, or any costs associated with the adoption and implementation of any compliance plan.

Network security incident means any of the following which results in damage, corruption, theft or misuse of **your** electronic data: (1) accidental damage or destruction of **your** computer hardware or electronic media; (2) administrative or operational mistakes by **you**, **your** employee, or **your business associate** in the handling of **your** electronic data or in the operation of **your** computer system; or (3) a **security breach**.

Operational programs mean programs and software that are ready for operational use, having been fully developed, tested, and accepted by **you**.

PCI DSS assessment means a monetary fine or penalty assessed against **you** by an **acquiring bank** or **card association**, including related compliance case costs, **ADCR** financial liability and card replacement costs, as a result of a **security breach** or **privacy breach**.

PCI Data Security Standards (known as "PCI DSS") means the published data security standards in effect now or as hereafter amended, which all merchants and processors must follow when storing, processing and transmitting cardholder data.

Privacy breach means an unauthorized disclosure of personal or confidential information that violates **your** privacy policy or any federal or state law or regulation associated with the confidentiality, access, control and use of personally identifiable, non-public information, but only if committed or allegedly committed by **you**, **your** employee, or a **business associate** that is holding, processing, storing or transferring such personal or confidential information for **you**.

Security breach means: (1) unauthorized access to or use of **your** computer system; (2) a denial of service attack against **your** computer system; or (3) infection of **your** computer system by malicious code.

We, **us**, and **our** mean the company which is providing the insurance under this Endorsement.

Wrongful act(s) means: (1) a negligent act or error committed by **you** or **your** employee in the release or display of **your** electronic or print media, which results in privacy injury, infringement of copyright, trademark or domain name, or plagiarism; (2) a **privacy breach**; (3) **your** failure to prevent or hinder, or to timely disclose, a **security breach** or **privacy breach**; or (4) **your** non-compliance with **PCI Data Security Standards**.

You or **Your** mean any person or organization shown on the Policy Declarations, and any other person or organization qualifying as a Named Insured under the Policy to which this Endorsement attaches.