



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

8/11/2021

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

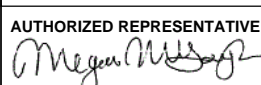
<b>PRODUCER</b> Trisure, an Alera Group Company 4325 Lake Boone Trail, Suite 200 Raleigh, NC 27607	<b>CONTACT NAME:</b> Megan McGough <b>PHONE (A/C, No, Ext):</b> _____ <b>FAX (A/C, No):</b> _____ <b>E-MAIL ADDRESS:</b> MeganM@trisure.com
	<b>INSURER(S) AFFORDING COVERAGE</b>
<b>INSURED</b> Vintage Grove Homeowners Association, Inc. c/o Community Association Mgmt PO Box 79032 Charlotte, NC 28271	<b>INSURER A :</b> Pacific Indemnity Company <span style="float:right">NAIC # <b>20346</b></span>
	<b>INSURER B :</b> Pennsylvania Manufacturer's
	<b>INSURER C :</b> Continental Casualty Company <span style="float:right">20443</span>
	<b>INSURER D :</b>
	<b>INSURER E :</b>
<b>INSURER F :</b>	

**COVERAGES** **CERTIFICATE NUMBER:** \_\_\_\_\_ **REVISION NUMBER:** \_\_\_\_\_

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> <b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> <b>95 Units</b> GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER: _____	X		ASNDCF162086935	8/3/2021	8/3/2022	EACH OCCURRENCE \$ <b>1,000,000</b>
							DAMAGE TO RENTED PREMISES (Ea occurrence) \$ <b>100,000</b>
							MED EXP (Any one person) \$ <b>5,000</b>
							PERSONAL & ADV INJURY \$ <b>1,000,000</b>
							GENERAL AGGREGATE \$ <b>2,000,000</b>
							PRODUCTS - COMP/OP AGG \$ <b>2,000,000</b>
							<b>HNO Auto Liab</b> \$ <b>1,000,000</b>
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) \$
							BODILY INJURY (Per person) \$
							BODILY INJURY (Per accident) \$
							PROPERTY DAMAGE (Per accident) \$
							\$
	<b>UMBRELLA LIAB</b> <input type="checkbox"/> OCCUR <b>EXCESS LIAB</b> <input type="checkbox"/> CLAIMS-MADE DED _____ RETENTION \$ _____						EACH OCCURRENCE \$
							AGGREGATE \$
							\$
B	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) <input type="checkbox"/> Y / N If yes, describe under DESCRIPTION OF OPERATIONS below	N/A		202101-12-78-94-4Y	8/3/2021	8/3/2022	PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/>
							E.L. EACH ACCIDENT \$ <b>100,000</b>
							E.L. DISEASE - EA EMPLOYEE \$ <b>100,000</b>
							E.L. DISEASE - POLICY LIMIT \$ <b>500,000</b>
C	<b>Directors &amp; Officers</b> <input checked="" type="checkbox"/>	X		618924281	8/3/2021	8/3/2022	<b>1,000,000</b>
A	<b>Employee Dishonesty</b> <input checked="" type="checkbox"/>	X		ASNDCF162086935	8/3/2021	8/3/2022	Mgr included as AI <b>50,000</b>

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

<b>CERTIFICATE HOLDER</b> Community Association Management PO Box 79032 Charlotte, NC 28271	<b>CANCELLATION</b> SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE 

# CHUBB®

Pacific Indemnity Company  
202 Hall's Mill Rd.  
Whitehouse Station, NJ 08889

## Micro Package Policy Declarations

This Policy is issued by the stock insurance company listed above ("Insurer").

**AT LEAST ONE OF THE ENDORSEMENTS IS A CLAIMS MADE AND REPORTED COVERAGE SECTION. EXCEPT AS OTHERWISE PROVIDED HEREIN, THIS COVERAGE SECTION COVERS ONLY CLAIMS FIRST MADE AGAINST THE INSURED AND REPORTED TO THE INSURER DURING THE POLICY PERIOD OR THE EXTENDED REPORTING PERIOD. PLEASE READ THIS COVERAGE SECTION CAREFULLY. THE LIMITS OF LIABILITY AVAILABLE TO PAY INSURED DAMAGES SHALL BE REDUCED BY AMOUNTS INCURRED FOR CLAIMS EXPENSES. FURTHER NOTE THAT AMOUNTS INCURRED FOR DAMAGES AND CLAIMS EXPENSES SHALL ALSO BE APPLIED AGAINST THE RETENTION AMOUNT.**

### Policy

**Number:** ASNNCF162086935  
**Renewal of:** New

**Named Insured & Principal Address:**  
Vintage Grove Homeowners Association, Inc.  
c/o Community Association Management,  
PO Box 79032  
Charlotte, NC 28271

**Policy Period:** From: 08-03-2021 To: 08-03-2022  
12:01 AM\* Standard Time at your mailing  
address shown  
\*Exceptions: 12:00 PM in Michigan and  
North Carolina

**TOTAL ADVANCED ANNUAL PREMIUM: \$955.00**

Admitted Status: Admitted                      Auditable Status: No  
Auditable Period: Annual

**Additional Named Insureds:**

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

**Business Description:** Community Associations

### Item A.. PROPERTY

Covered Premises: 1000 Beringer Place , Apex, NC 27502-8933						
Prem. No	Coverage(s)	Limit	Deductible	Valuation	Cause of Loss	Premium
1	Buildings	\$75,000	\$500	Replacement Cost	Special	\$144
1	Contents	\$7,500	\$500	RC	Special	\$21

**WIND COVERAGE**

Wind Deductible Percentage AOP  
 Wind Deductible Dollar Amount NA  
 Wind Excluded No

**Wind Premium: INCLUDED**

**Total Terrorism (TRIA) Premium: \$4**

**Total Property Premium: \$358.00**

Item B **GENERAL LIABILITY**

Covered Premises: 1000 Beringer Place , Apex, NC 27502-8933

Prem No	Classification	Class Code	Rating Basis	Premium Basis	Premium	
					Prem/Ops	PR/CO
1	Homeowners Association - No Mercantile Or Office	65132	UNITS	95	\$175	\$0
1	Swimming Pools - At Owned Property Or Business	59999	POOLS	1	\$121	\$0

**LIMITS**

General Aggregate \$2,000,000  
 Products/Completed Operations Aggregate \$2,000,000  
 Personal & Advertising Injury Limit \$1,000,000  
 Each Occurrence Limit \$1,000,000  
 Damage to Premises Rented to You \$100,000

Medical Expense Limit

\$5,000

Total General Liability Premium \$417.00

Item C. **OPTIONAL COVERAGES**

**CRIME AND FIDELITY**

**EMPLOYEE BENEFIT PLAN(S):**

**LIMITS**

Employee Theft	Zero
Forgery or Alteration	\$2,500
Inside The Premises – Theft of Money and Securities	Zero
Inside The Premises – Robbery or Safe Burglary of Other Property	\$0
Outside the Premises	\$0
Computer and Funds Transfer Fraud	Zero
Money Orders and Counterfeit Money	\$1,000

**Total Crime and Fidelity Premium: Not Included**

**EMPLOYEE DISHONESTY**

**LIMITS**

Employee Dishonesty Limit	\$50,000
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**Total Employee Dishonesty Premium: \$91**

**HIRED AND NON-OWNED AUTO**

**LIMITS**

General Aggregate Limit	\$2,000,000
Each Occurrence Limit	\$1,000,000

**Total Hired & Non-Owned Auto Premium: \$95.00**

**EQUIPMENT BREAKDOWN**

**LIMITS**

Equipment Breakdown Protection Sub-Limit	
Equipment Breakdown Protection Deductible	\$500
Business Income Time Deductible	72

**Total Equipment Breakdown Premium: \$57**

**FORGERY AND ALTERATION**

**LIMITS**

Forgery and Alteration Limit	\$2,500
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**Total Forgery and Alteration Premium: \$23**

## ASSOCIATION PROPERTY IN THE OPEN

### LIMITS

Association Property In The Open Coverage Limit 202500  
Association Property In The Open Coverage Description

**Total Association Property In The Open Coverage Premium: \$180**

**Total Terrorism (TRIA) Premium: \$8**  
**Total General Liability Premium: \$417**  
**Total Policy Premium: \$955.00**

### Item E COVERAGE FORMS

Form Number	Edition	Title
BOP48600	0117	Micro Package Policy Declarations
BOP43579	0814	EXCLUSION - TOTAL PROFESSIONAL LIABILITY
CC48603	0117	SIGNATURES
ALL20887A	0316	CHUBB PRODUCER COMPENSTATION PRACTICES & POLICIES
ALL21101	1106	TRADE AND ECONOMIC SANCTIONS
ALL39844	1016	CHUBB COMPANIES U.S. PRIVACY NOTICE
ALL42490b	0716	FATCA NOTICE
ALL43826b	0820	STATE FRAUD WARNING
BOP42480	0614	ABSOLUTE ASBESTOS EXCLUSION
BOP43587	0814	AMENDMENT OF PERSONAL AND ADVERTISING INJURY EXCLUSION
BOP43603	0814	EXCLUSION-GENETICALLY MODIFIED ORGANISMS
BOP43827	0614	ABSOLUTE POLLUTION EXCLUSION - PROPERTY
BOP43830	0614	LEAD EXCLUSION
BOP43832	0614	MOLD FUNGUS BACTERIA VIRUS OR ORGANIC PATHOGEN EXCLUSION
BP0003	0713	BUSINESSOWNERS COVERAGE FORM
BP0402	0713	ADDITIONAL INSURED - MANAGERS OR LESSORS OF PREMISES
BP0404	0110	HIRED AUTO AND NON-OWNED AUTO LIABILITY
BP0417	0110	EMPLOYMENT-RELATED PRACTICES EXCLUSION
BP0459	0106	EQUIPMENT BREAKDOWN PROTECTION COVERAGE
BP0501	0702	CALCULATION OF PREMIUM
BP0517	0106	EXCLUSION - SILICA OR SILICA-RELATED DUST
BP0523	0108	CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM
BP1406	0110	BUSINESS INCOME, EXTRA EXPENSE AND RELATED COVERAGES LIMIT OF INSURANCE
BOP43828	0614	ASBESTOS MATERIAL EXCLUSION
BOP43682	0914	BOP-43682_POLLUTION ORGANIC PATHOGEN SILICA ASBESTOS AND LEAD WITH HOSTI...
BOP48602	0117	MICRO PACKAGE APPLICATION
BP1486	0713	COMMUNICABLE DISEASE EXCLUSION

BP0408	0106	ADDITIONAL INSURED - TOWNHOUSE ASSOCIATIONS
BOP51826	0419	ASSOCIATION PROPERTY IN THE OPEN COVERAGE ENDORSEMENT
BOP43862	0914	POLLUTION, ORGANIC PATHOGEN, SILICA, ASBESTOS AND LEAD EXCLUSION WITH HOSTILE FIRE AND HUMAN FOOD PRODUCT EXCEPTIONS
BOP49665	0817	COMMUNICABLE OR INFECTIOUS DISEASES EXCLUSION - TOTAL
TRIA11c	0115	DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT
ILP001	0104	U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC") ADVISORY NOTICE TO POLICYHOLDERS
BP0116	0214	NORTH CAROLINA CHANGES
BP1214	0702	NORTH CAROLINA EFFECTIVE TIME CHANGES - REPLACEMENT OF 12 NOON
BOP46520	0715	AMENDATORY ENDORSEMENT - NORTH CAROLINA
BOP48785	0217	NORTH CAROLINA AMENDATORY ENDORSEMENT

Item F Notice under this **Policy** shall be given to:

Chubb North American Claims  
P.O. Box 5122  
Scranton, PA 18505  
ApolloOps1FNOL@chubb.com

Item G. Producer Name and Mailing Address

MCGOWAN & COMPANY INC HOA BUSINESS ONLY  
10745 BIRMINGHAM WAY  
WOODSTOCK, MD 21163

Item H. Producer Code: Z03930

IN WITNESS WHEREOF, the **Insurer** has caused this **Policy** to be signed by its President and Secretary, and countersigned by a duly authorized representative of the **Insurer**.

DATE: 07-09-2021

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Authorized Representative

Chubb. Insured.™

## TOTAL PROFESSIONAL LIABILITY EXCLUSION

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

**This endorsement modifies insurance provided under the following:**

### **BUSINESSOWNERS COVERAGE FORM**

**SECTION II – LIABILITY** is amended at subsection, B, Exclusions, by deleting exclusion **j. Professional Services** in its entirety and inserting the following:

**j. Professional Services**

“Bodily injury”, “property damage”, “personal and advertising injury”, or medical expenses arising out of, directly, indirectly or in consequence of any error or omission, malpractice or mistake in the rendering of or failure to render professional services of any kind, committed or alleged to have been committed by or on behalf of any insured.

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", or medical expense involved the rendering of or the failure to render professional services by any insured to others.

All other terms and conditions of this policy remain unchanged. .

SIGNATURES

Named Insured VINTAGE GROVE HOMEOWNERS ASSOCIATION, INC.			Endorsement Number CC486030117
Policy Symbol ASN	Policy Number ASNNCF162086935	Policy Period 08-03-2021 TO 08-03-2022	Effective Date of Endorsement 08-03-2021
Issued By (Name of Insurance Company) PACIFIC INDEMNITY COMPANY			

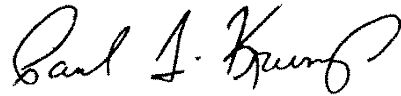
By signing and delivering the policy to you, we state that it is a valid contract.

**Pacific Indemnity Company** (A stock company)

Two Plaza East, Suite 1450, 330 East Kilbourn Avenue,  
Milwaukee, Wisconsin 53202-3146



Brandon M. Peene, Secretary



Paul J. Krump, President



**Chubb Producer Compensation  
Practices & Policies**

Chubb believes that policyholders should have access to information about Chubb's practices and policies related to the payment of compensation to brokers and independent agents. You can obtain that information by accessing our website at <http://www.chubbproducercompensation.com> or by calling the following toll-free telephone number: 1-866-512-2862.

## TRADE OR ECONOMIC SANCTIONS ENDORSEMENT

Named Insured VINTAGE GROVE HOMEOWNERS ASSOCIATION, INC.			Endorsement Number ALL211011106
Policy Symbol ASN	Policy Number ASNNCF162086935	Policy Period 08-03-2021 <b>TO</b> 08-03-2022	Effective Date of Endorsement 08-03-2021
Issued By (Name of Insurance Company) PACIFIC INDEMNITY INSURANCE COMPANY			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

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

This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance, including but not limited to, the payment of claims. All other terms and conditions of policy remain unchanged.

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Authorized Agent

**CHUBB GROUP  
U.S. PRIVACY NOTICE**

<b>FACTS</b>	<b>WHAT DOES THE CHUBB GROUP DO WITH YOUR PERSONAL INFORMATION?</b>	
<b>Why?</b>	Insurance companies choose how they share your personal information. Federal and state law gives consumers the right to limit some but not all sharing. Federal and state law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.	
<b>What?</b>	<p>The types of personal information we collect and share depend on the product or service you have with us. This information can include:</p> <ul style="list-style-type: none"> <li>▪ Social Security number and payment history</li> <li>▪ insurance claim history and medical information</li> <li>▪ account transactions and credit scores</li> </ul> <p>When you are no longer our customer, we continue to share information about you as described in this notice.</p>	
<b>How?</b>	All insurance companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons insurance companies can share their customers' personal information; the reasons the Chubb Group chooses to share; and whether you can limit this sharing.	
<b>Reasons we can share your personal information</b>	<b>Does Chubb share?</b>	<b>Can you limit this sharing?</b>
<b>For our everyday business purposes</b> – such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus	Yes	No
<b>For our marketing purposes</b> – to offer our products and services to you	Yes	No
<b>For joint marketing with other financial companies</b>	Yes	No
<b>For our affiliates' everyday business purposes</b> – information about your transactions and experiences	Yes	No
<b>For our affiliates' everyday business purposes</b> – information about your creditworthiness	No	We don't share
<b>For our affiliates to market to you</b>	No	We don't share
<b>For nonaffiliates to market to you</b>	No	We don't share
<b>Questions?</b>	Call 1-800-258-2930 or go to <a href="https://www2.Chubb.com/us-en/privacy.aspx">https://www2.Chubb.com/us-en/privacy.aspx</a>	

<b>Who is providing this notice?</b>		The Chubb Group. A list of these companies is located at the end of this document.
<b>What we do</b>		
<b>How does Chubb Group protect my personal information?</b>	<p>To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.</p> <p>We restrict access to personal information to our employees, affiliates' employees, or others who need to know that information to service the account or to conduct our normal business operations.</p>	
<b>How does Chubb Group collect my personal information?</b>	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"> <li>▪ apply for insurance or pay insurance premiums</li> <li>▪ file an insurance claim or provide account information</li> <li>▪ give us your contact information</li> </ul> <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>	
<b>Why can't I limit all sharing?</b>	<p>Federal law gives you the right to limit only</p> <ul style="list-style-type: none"> <li>▪ sharing for affiliates' everyday business purposes – information about your creditworthiness</li> <li>▪ affiliates from using your information to market to you</li> <li>▪ sharing for nonaffiliates to market to you</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing. See below for more on your rights under state law.</p>	
<b>Definitions</b>		
<b>Affiliates</b>	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>▪ Our affiliates include those with a Chubb name and financial companies, such as Westchester Fire Insurance Company and Great Northern Insurance Company,</li> </ul>	
<b>Nonaffiliates</b>	<p>Companies not related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"> <li>▪ Chubb does not share with nonaffiliates so they can market to you.</li> </ul>	
<b>Joint Marketing</b>	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> <li>▪ Our joint marketing partners include categories of companies such as banks.</li> </ul>	

### Other important information

**For Insurance Customers in AZ, CA, CT, GA, IL, MA, ME, MN, MT, NV, NC, NJ, OH, OR, and VA only:**

Under state law, you have the right see the personal information about you that we have on file. To see your information, write Chubb Group Attention: Privacy Inquiries, 202 Hall's Mill Road, P.O. Box 1600, Whitehouse Station, NJ 08889-1600. Chubb may charge a reasonable fee to cover the costs of providing this information. If you think any of the information is not accurate, you may write us. We will let you know what actions we take. If you do not agree with our actions, you may send us a statement. If you want a full description of privacy rights that we will protect in accordance with the law in your home state, please contact us and we will provide it. We may disclose information to certain third parties, such as law enforcement officers, without your permission.

**For Nevada residents only:** We may contact our existing customers by telephone to offer additional insurance products that we believe may be of interest to you. Under state law, you have the right to opt out of these calls by adding your name to our internal do-not-call list. To opt out of these calls, or for more information about your opt out rights, please contact our customer service department. You can reach us by calling 1-800-258-2930, emailing us at [privacyinquiries@Chubb.com](mailto:privacyinquiries@Chubb.com), or writing to Chubb Group, Attention: Privacy Inquiries, 202 Hall's Mill Road, P.O. Box 1600, Whitehouse Station, NJ 08889-1600. You are being provided this notice under Nevada state law. In addition to contacting Chubb, Nevada residents can contact the Nevada Attorney General for more information about your opt out rights by calling 775-684-1100, emailing [bcpinfo@ag.state.nv.us](mailto:bcpinfo@ag.state.nv.us), or by writing to: Office of the Attorney General, Nevada Department of Justice, Bureau of Consumer Protection: 100 North Carson Street, Carson City, NV 89701.

**For Vermont residents only:** Under state law, we will not share information about your creditworthiness within our corporate family except with your authorization or consent, but we may share information about our transactions or experiences with you within our corporate family without your consent.

### Chubb Group Companies Providing This Notice

This notice is being provided by the following Chubb Group companies to their customers located in the United States: ACE American Insurance Company, ACE Capital Title Reinsurance Company, ACE Fire Underwriters Insurance Company, ACE Insurance Company of the Midwest, ACE Life Insurance Company, ACE Property and Casualty Insurance Company, Agri General Insurance Company, Atlantic Employers Insurance Company, Bankers Standard Fire and Marine Company, Bankers Standard Insurance Company, Century Indemnity Company, Chubb Custom Insurance Company, Chubb Indemnity Insurance Company, Chubb Insurance Company of New Jersey, Chubb Lloyds Insurance Company of Texas, Chubb National Insurance Company, Executive Risk Indemnity Inc., Executive Risk Specialty Insurance Company, Federal Insurance Company, Great Northern Insurance Company, Illinois Union Insurance Company, Indemnity Insurance Company of North America, Insurance Company of North America, Pacific Employers Insurance Company, Pacific Indemnity Company, Penn Millers Insurance Company, Texas Pacific Indemnity Company, Vigilant Insurance Company, Westchester Fire Insurance Company and Westchester Surplus Lines Insurance Company.

**CHUBB®**

**U.S. FOREIGN ACCOUNT  
TAX COMPLIANCE ACT (“FATCA”)**

The U.S. Foreign Account Tax Compliance Act, commonly known as “FATCA”, became the law in the U.S. in March of 2010 and becomes effective July 1, 2014. Pursuant to FATCA, brokers, producers, agents and/or clients may need to obtain withholding certificates from insurance companies. For information on how to obtain the applicable withholding certificate from Chubb U.S. insurance companies, please go to the following web site:

<http://www2.chubb.com/us-en/u-s-foreign-account-tax-compliance-act-fatca.aspx>



## APPLICATION SUPPLEMENT STATE FRAUD WARNINGS

### NOTICE TO COMMERCIAL INSURANCE APPLICANTS

**This Notice to Commercial Insurance Applicants – State Fraud Warnings provides you with information concerning various state fraud warnings and statements. Where fraud warnings are required as part of the insurance application, this notice forms a part of your application for Commercial Insurance. Please have this form signed by an authorized representative and returned with your application.**

**NOTICE TO ALABAMA APPLICANTS:** ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR WHO KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON, OR ANY COMBINATION THEREOF.

**NOTICE TO ARKANSAS APPLICANTS:** 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.

**NOTICE TO COLORADO APPLICANTS:** IT IS UNLAWFUL TO KNOWINGLY PROVIDE FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE COMPANY. PENALTIES MAY INCLUDE IMPRISONMENT, FINES, DENIAL OF INSURANCE, AND CIVIL DAMAGES. ANY INSURANCE COMPANY OR AGENT OF AN INSURANCE COMPANY WHO KNOWINGLY PROVIDES FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO A POLICYHOLDER OR CLAIMANT FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE POLICYHOLDER OR CLAIMANT WITH REGARD TO A SETTLEMENT OR AWARD PAYABLE FROM INSURANCE PROCEEDS SHALL BE REPORTED TO THE COLORADO DIVISION OF INSURANCE WITHIN THE DEPARTMENT OF REGULATORY AUTHORITIES.

**NOTICE TO DISTRICT OF COLUMBIA APPLICANTS:** WARNING: IT IS A CRIME TO PROVIDE FALSE OR MISLEADING INFORMATION TO AN INSURER FOR THE PURPOSE OF DEFRAUDING THE INSURER OR ANY OTHER PERSON. PENALTIES INCLUDE IMPRISONMENT AND/OR FINES. IN ADDITION, AN INSURER MAY DENY INSURANCE BENEFITS IF FALSE INFORMATION MATERIALLY RELATED TO A CLAIM WAS PROVIDED BY THE APPLICANT.

**NOTICE TO FLORIDA APPLICANTS:** ANY PERSON WHO KNOWINGLY AND WITH INTENT TO INJURE, DEFRAUD, OR DECEIVE ANY INSURER FILES A STATEMENT OF CLAIM OR AN APPLICATION CONTAINING ANY FALSE, INCOMPLETE, OR MISLEADING INFORMATION IS GUILTY OF A FELONY OF THE THIRD DEGREE.

**NOTICE TO HAWAII APPLICANTS:** INTENTIONALLY OR KNOWINGLY MISREPRESENTING OR CONCEALING A MATERIAL FACT, OPINION OR INTENTION TO OBTAIN COVERAGE, BENEFITS, RECOVERY OR COMPENSATION WHEN PRESENTING AN APPLICATION FOR THE ISSUANCE OR RENEWAL OF AN INSURANCE POLICY OR WHEN PRESENTING A CLAIM FOR THE PAYMENT OF A LOSS IS A CRIMINAL OFFENSE PUNISHABLE BY FINES OR IMPRISONMENT, OR BOTH.

**NOTICE TO KANSAS APPLICANTS:** ANY PERSON WHO COMMITS A FRAUDULENT INSURANCE ACT IS GUILTY OF A CRIME AND MAY BE SUBJECT TO RESTITUTION, FINES AND CONFINEMENT IN PRISON. A FRAUDULENT INSURANCE ACT MEANS AN ACT COMMITTED BY ANY PERSON WHO, KNOWINGLY AND

WITH INTENT TO DEFRAUD, PRESENTS, CAUSES TO BE PRESENTED OR PREPARES WITH KNOWLEDGE OR BELIEF THAT IT WILL BE PRESENTED TO OR BY AN INSURER, PURPORTED INSURER OR INSURANCE AGENT OR BROKER, ANY WRITTEN, ELECTRONIC, ELECTRONIC IMPULSE, FACSIMILE, MAGNETIC, ORAL, OR TELEPHONIC COMMUNICATION OR STATEMENT AS PART OF, OR IN SUPPORT OF, AN APPLICATION FOR INSURANCE, OR THE RATING OF AN INSURANCE POLICY, OR A CLAIM FOR PAYMENT OR OTHER BENEFIT UNDER AN INSURANCE POLICY, WHICH SUCH PERSON KNOWS TO CONTAIN MATERIALLY FALSE INFORMATION CONCERNING ANY MATERIAL FACT THERETO; OR CONCEALS, FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO

**NOTICE TO KENTUCKY APPLICANTS:** ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE CONTAINING ANY MATERIALLY FALSE INFORMATION OR CONCEALS, FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME.

**NOTICE TO LOUISIANA APPLICANTS:** 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, OR A DENIAL OF INSURANCE BENEFITS.

**NOTICE TO MAINE APPLICANTS:** IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING THE COMPANY. PENALTIES MAY INCLUDE IMPRISONMENT, FINES OR A DENIAL OF INSURANCE BENEFITS.

**NOTICE TO MARYLAND APPLICANTS:** ANY PERSON WHO KNOWINGLY OR WILLFULLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR WHO KNOWINGLY OR WILLFULLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON.

**NOTICE TO NEW JERSEY APPLICANTS:** ANY PERSON WHO INCLUDES ANY FALSE OR MISLEADING INFORMATION ON AN APPLICATION FOR AN INSURANCE POLICY IS SUBJECT TO CRIMINAL AND CIVIL PENALTIES.

**NOTICE TO NEW MEXICO APPLICANTS:** 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 CIVIL FINES AND CRIMINAL PENALTIES.

**NOTICE TO NEW YORK APPLICANTS:** ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME, AND SHALL ALSO BE SUBJECT TO A CIVIL PENALTY NOT TO EXCEED FIVE THOUSAND DOLLARS AND THE STATED VALUE OF THE CLAIM FOR EACH VIOLATION.



**ADDITIONAL NOTICE TO NEW YORK COMMERCIAL AUTO APPLICANTS:** ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, AND ANY PERSON WHO, IN CONNECTION WITH SUCH APPLICATION OR CLAIM, WHO KNOWINGLY MAKES OR KNOWINGLY ASSISTS, ABETS, SOLICITS OR CONSPIRES WITH ANOTHER TO MAKE A FALSE REPORT OF THEFT, DESTRUCTION, DAMAGE OR CONVERSION OF ANY MOTOR VEHICLE TO A LAW ENFORCEMENT AGENCY THE DEPARTMENT OF MOTOR VEHICLES OR AN INSURANCE COMPANY COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME, AND SHALL ALSO BE SUBJECT TO A CIVIL PENALTY NOT TO EXCEED FIVE THOUSAND DOLLARS AND THE VALUE OF THE SUBJECT MOTOR VEHICLE OR STATED CLAIM FOR EACH VIOLATION.

**NOTICE TO OHIO APPLICANTS:** ANY PERSON WHO, WITH INTENT TO DEFRAUD OR KNOWING THAT HE/SHE IS FACILITATING A FRAUD AGAINST AN INSURER, SUBMITS AN APPLICATION OR FILES A CLAIM CONTAINING A FALSE OR DECEPTIVE STATEMENT IS GUILTY OF INSURANCE FRAUD.

**NOTICE TO OKLAHOMA APPLICANTS:** WARNING: ANY PERSON WHO KNOWINGLY, AND WITH INTENT TO INJURE, DEFRAUD OR DECEIVE ANY INSURER, MAKES ANY CLAIM FOR THE PROCEEDS OF AN INSURANCE POLICY CONTAINING ANY FALSE, INCOMPLETE OR MISLEADING INFORMATION IS GUILTY OF A FELONY.

**NOTICE TO OREGON APPLICANTS:** ANY PERSON WITH THE INTENT TO KNOWINGLY DEFRAUD MAKES ANY MISSTATEMENTS, MISREPRESENTATIONS, OMISSIONS OR CONCEALMENTS CONCERNING A MATERIAL FACT TO AN INSURANCE COMPANY OR OTHER PERSON IN CONNECTION WITH AN APPLICATION FOR INSURANCE MAY BE GUILTY OF INSURANCE FRAUD AND SUBJECT TO PROSECUTION.

**NOTICE TO PENNSYLVANIA APPLICANTS:** ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND SUBJECTS SUCH PERSON TO CRIMINAL AND CIVIL PENALTIES.

**ADDITIONAL NOTICE TO PENNSYLVANIA COMMERCIAL AUTO APPLICANTS:** ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURER FILES AN APPLICATION OR CLAIM CONTAINING ANY FALSE, INCOMPLETE OR MISLEADING INFORMATION SHALL, UPON CONVICTION, BE SUBJECT TO IMPRISONMENT FOR UP TO SEVEN YEARS AND PAYMENT OF A FINE OF UP TO \$15,000.

**NOTICE TO RHODE ISLAND APPLICANTS:** 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.

**NOTICE TO TENNESSEE APPLICANTS:** IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING THE COMPANY. PENALTIES INCLUDE IMPRISONMENT, FINES AND DENIAL OF INSURANCE BENEFITS.

**NOTICE TO VERMONT APPLICANTS:**

ANY PERSON WHO KNOWINGLY PRESENTS A FALSE STATEMENT IN AN APPLICATION FOR INSURANCE MAY BE GUILTY OF A CRIMINAL OFFENSE AND SUBJECT TO PENALTIES UNDER STATE LAW.

**NOTICE TO VIRGINIA APPLICANTS:** IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING THE COMPANY. PENALTIES INCLUDE IMPRISONMENT, FINES AND DENIAL OF INSURANCE BENEFITS.

**NOTICE TO WASHINGTON APPLICANTS:** IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING THE COMPANY. PENALTIES MAY INCLUDE IMPRISONMENT, FINES AND DENIAL OF INSURANCE BENEFITS.

**NOTICE TO WEST VIRGINIA APPLICANTS:** 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.

**NOTICE TO APPLICANTS IN STATES NOT LISTED ABOVE:** ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR ANOTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND SUBJECTS THE PERSON TO CRIMINAL AND CIVIL PENALTIES.

<b>NAMED INSURED:</b>	Vintage Grove Homeowners Association, Inc.
<b>POLICY / QUOTE NUMBER:</b>	ASNNCF162086935
<b>APPLICANT SIGNATURE (Authorized representative):</b>	
<b>APPLICANT TITLE:</b>	
<b>DATE SIGNED:</b>	

Chubb. Insured.<sup>SM</sup>

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

## **ASBESTOS EXCLUSION**

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This endorsement modifies insurance provided under the following:

### **BUSINESSOWNERS COVERAGE FORM**

The following is added to Paragraph **B. Exclusions** under Section **II** - Liability, and supersedes any provision to the contrary:

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of:

- a.** Inhaling, ingesting or prolonged physical exposure to asbestos or goods or products containing asbestos;
- b.** The use of asbestos in constructing or manufacturing any good, product or structure;
- c.** The removal of asbestos from any good, product or structure; or
- d.** The manufacture, transportation, storage or disposal of asbestos or goods or products containing asbestos.

The coverage afforded by the policy does not apply to payment for the investigation or defense of any loss, injury or damage or any cost, fine or penalty or for any expense or claim or "suit" related to any of the above.

**AMENDMENT OF PERSONAL AND ADVERTISING INJURY EXCLUSION –  
ORAL OR WRITTEN PUBLICATION OF MATERIAL WITH KNOWLEDGE OF FALSITY**

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

**This endorsement modifies insurance provided under the following:**

**BUSINESSOWNERS COVERAGE FORM**

**SECTION II – LIABILITY** of the policy is amended as follows:

Paragraph **(2)** of **Exclusion B.1.p. Personal and Advertising Injury** is deleted and replaced by the following:

(2) 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:

All other terms and conditions of the policy remain unchanged.

## **GENETICALLY MODIFIED ORGANISM OR SUBSTANCE EXCLUSION**

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

**This endorsement modifies insurance provided under the following:**

### **BUSINESSOWNERS COVERAGE FORM**

The policy is amended as follows:

1. The following exclusion is added to **SECTION II – LIABILITY**:

This insurance does not apply to:

#### **Genetic Modifications**

- (1)** "Property damage" arising out of, in connection with, caused directly or indirectly by, or in any way related to any "genetically modified organism or substance", however caused, including but not limited to "property damage" arising out of or in connection with, caused directly or indirectly by, or in any way related to, the actual, alleged or threatened use, development, testing, discharge, disposal, dispersal, mishandling, migration, pollination, inhalation, ingestion, existence, breeding, presence, spread, release, or escape of, exposure to, or mixing, co-mingling or contact with, any "genetically modified organism or substance", regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.
- (2)** Any loss, cost or expense arising out of any:
  - (a)** Request, demand, claim, "suit" or order that any insured or others abate, test for, monitor, clean up, remove, contain, treat, neutralize, detoxify, remediate, dispose of, or in any way respond to or assess the effects of any "genetically modified organism or substance"; or
  - (b)** Request, demand, claim, "suit" or order by or on behalf of a governmental authority for damages because of testing for, abating, cleaning up, removing, containing, treating, neutralizing, detoxifying, remediating, disposing or in any way responding to, or assessing the effect of any "genetically modified organism or substance".

We will have no duty to investigate any claim or defend any "suit" arising out of or in any way related to any "genetically modified organism or substance" excluded by this endorsement.

2. The following definitions are added to **SECTION II – LIABILITY, Section F. Liability and Medical Expenses Definitions**:

"Genetically modified" means a process through science, engineering, biotechnology, technology or any other means or method that changes, alters, mutates or manipulates the genome, the chromosomes, the sequence of DNA, or the DNA of a gene or otherwise modifies a gene, changes the genetic makeup of cells, silences, depresses, represses or lessens the expression of a gene, removes a gene, or moves one or more genes across species boundaries. The term "genetically modified" includes, but is not limited to, any novel combination of genetic material obtained through the use of modern biotechnology, genetic engineering, gene therapy, cloning, recombinant DNA technology, transgenic technology and nuclear

transfer technology. However “genetically modified” does not mean the traditional horticultural practices of crossbreeding, plant limb grafting, or radiation breeding by random mutagenesis.

“Genetically modified organism or substance” means any “genetically modified” food, feed, bean, seed, plant, grain, crop, shrub, tree, organism, virus, microbe, animal or any other material, organism, life form, or substance, living or dead.

3. The addition of this endorsement does not imply that other policy provisions, including but not limited to any “products-completed operations hazard” exclusion or pollution or contamination exclusion, do not also exclude coverage for any “genetically modified organism or substance”.

All other terms and conditions of this policy remain unchanged.

## **ABSOLUTE POLLUTION EXCLUSION – PROPERTY**

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

**This endorsement modifies insurance provided under the following:**

### **BUSINESSOWNERS COVERAGE FORM**

The following supersedes the terms and conditions of this policy. This policy does not insure against loss or expense, including but not limited to the cost of defense for:

- 1) direct physical loss of or damage to Covered Property,
- 2) your expense to remove debris of Covered Property,
- 3) any actual loss of Business Income you sustain due to the suspension of your “operations” during any “period of restoration”,
- 4) any extra expense you incur during any “period of restoration”,
- 5) damages for the devaluation of property or for the taking, use or acquisition or interference with the rights of others in property or air space,
- 6) any loss, cost or expense, including but not limited to fines and penalties, arising out of any governmental direction or request, or any private party or citizen action requiring, that you test for, monitor, clean up, remove, contain, treat, detoxify or neutralize “pollutants”, or
- 7) any litigation or administrative procedure in which an insured may be involved as a party;

arising directly, indirectly, or in concurrence or in any sequence with another cause of loss, out of actual, alleged or threatened existence, discharge, dispersal, release or escape of “pollutants”, whether or not such actual, alleged or threatened existence, discharge, dispersal, release or escape is sudden, accidental or gradual in nature.

This exclusion applies even if such “pollutant” has a function in, or is used by you in your business, operations, premises, site or location.

“Pollutants” means any solid, liquid, gaseous or thermal irritant or contaminant, including but not limited to smoke, vapor, soot, fumes, acids, alkalis, chemicals, toxic materials, “volatile organic compound” and gases therefrom, radon, combustion byproducts and “waste.”

“Volatile organic compound” means any compound which discharges organic gases as it decomposes or evaporates, examples of which include but are not limited to formaldehyde, pesticides, adhesives, construction materials made with organic chemicals, solvents, paint varnish and cleaning products.

“Waste” means any property intended to be disposed, recycled, reused or reclaimed by the owner or user thereof.

All other terms and conditions of this policy remain unchanged. This endorsement is a part of your policy and takes effect on the effective date of your policy unless another effective date is shown.

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Authorized Representative

## **LEAD EXCLUSION**

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

**This endorsement modifies insurance provided under the following:**

### **Businessowners Coverage Form**

The following supersedes and replaces any provisions of this policy to the contrary. This policy does not insure against loss or expense, including but not limited to the cost of defense for:

1. direct physical loss of or damage to Covered Property;
2. expense to remove debris of Covered Property;
3. any actual loss of Business Income you sustain due to the "suspension" of your "operations" during any "period of restoration";
4. any extra expense you incur during any "period of restoration";
5. damages for the devaluation of property or for the taking, use or acquisition or interference with the rights of others in property or air space;
6. any loss, cost or expense, including but not limited to fines or penalties, arising out of any governmental direction or request, or any private party or citizen action requiring, that an insured test for, monitor, clean up, remove, contain, treat, detoxify or neutralize lead; or
7. any litigation or administrative procedure in which an insured may be involved as a party;

arising directly, indirectly, or in concurrence, or in any sequence with another cause of loss, out of actual, alleged or threatened existence, discharge, dispersal, release or escape of lead, whether or not such actual, alleged or threatened existence, discharge, release or escape is sudden, accidental or gradual in nature or expected or intended from the standpoint of any insured.

This exclusion applies even if lead has a function in, or is used by you in your business, "operations", premises, site or location.

This exclusion only applies if the insured structure(s) was built prior to 1980 and has a significant potential for lead loss exposure and has not undergone lead abatement.

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

1. At the premises, site or location which is or was at any time used by or for any insured or others for the handling, storage disposal, processing or treatment of "waste", or
2. At any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations to test for, monitor, cleanup, remove, contain, treat, detoxify, neutralize or in any way respond to, or assess the effects of lead.

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

"Waste" means any property intended to be disposed, recycled, reused or reclaimed by the owner or user thereof.

All other terms and conditions of this policy remain unchanged. This endorsement is a part of your policy and takes effect on the effective date of your policy unless another effective date is shown.

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Authorized Representative



## **MOLD, FUNGUS, BACTERIA, VIRUS OR ORGANIC PATHOGEN EXCLUSION**

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

**This endorsement modifies insurance provided under the following:  
BUSINESSOWNERS COVERAGE FORM**

The following supersedes the terms and conditions of this policy. This policy does not insure against loss or expense, including but not limited to the cost of defense for:

- 1) direct physical loss of or damage to Covered Property,
- 2) your expense to remove debris of Covered Property,
- 3) any actual loss of Business Income you sustain due to the suspension of your "operations" during any "period of restoration",
- 4) any extra expense you incur during any "period of restoration",
- 5) damages for the devaluation of property or for the taking, use or acquisition or interference with the rights of others in property or air space,
- 6) any loss, cost or expense, including but not limited to fines and penalties, arising out of any governmental direction or request, or any private party or citizen action requiring, that you test for, monitor, clean up, remove, contain, treat, detoxify or neutralize "organic pathogens", or
- 7) to any litigation or administrative procedure in which an insured may be involved as a party;

arising directly, indirectly, or in concurrence, or in any sequence with another case of loss, out of actual, alleged or threatened existence, discharge, dispersal, release or escape of "organic pathogens", whether or not such actual, alleged or threatened existence, discharge, dispersal, release or escape is sudden, accidental or gradual in nature.

This exclusion applies even if such mold, fungus, bacteria, virus or "organic pathogen" has a function in, or is used by you in your business, operations, premises, site or location.

"Organic pathogen" means any organic irritant or contaminant, including but not limited to mold, fungus, bacteria or virus, including but not limited to their byproduct such as mycotoxin, mildew, or biogenic aerosol.

All other terms and conditions of this policy remain unchanged. This endorsement is a part of your policy and takes effect on the effective date of your policy unless another effective date is shown.

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Authorized Representative

## BUSINESSOWNERS 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 Coverage 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.

In Section II – Liability, the word "insured" means any person or organization qualifying as such under Paragraph C. Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Paragraph H. Property Definitions in Section I – Property and Paragraph F. Liability And Medical Expenses Definitions in Section II – Liability.

### SECTION I – PROPERTY

#### A. Coverage

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

##### 1. Covered Property

Covered Property includes Buildings as described under Paragraph a. below, Business Personal Property as described under Paragraph b. below, or both, depending on whether a Limit Of Insurance is shown in the Declarations for that type of property. Regardless of whether coverage is shown in the Declarations for Buildings, Business Personal Property, or both, there is no coverage for property described under Paragraph 2. Property Not Covered.

a. Buildings, meaning the buildings and structures at the premises described in the Declarations, including:

- (1) Completed additions;
- (2) Fixtures, including outdoor fixtures;
- (3) Permanently installed:
  - (a) Machinery; and
  - (b) Equipment;
- (4) Your personal property in apartments, rooms or common areas furnished by you as landlord;

(5) Personal property owned by you that is used to maintain or service the buildings or structures or the premises, including:

- (a) Fire extinguishing equipment;
- (b) Outdoor furniture;
- (c) Floor coverings; and
- (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering;

(6) If not covered by other insurance:

- (a) Additions under construction, alterations and repairs to the buildings or structures;
- (b) Materials, equipment, supplies and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the buildings or structures.

b. Business Personal Property located in or on the buildings or structures at the described premises or in the open (or in a vehicle) within 100 feet of the buildings or structures or within 100 feet of the premises described in the Declarations, whichever distance is greater, including:

- (1) Property you own that is used in your business;
- (2) Property of others that is in your care, custody or control, except as otherwise provided in Loss Payment Property Loss Condition Paragraph E.5.d.(3)(b);
- (3) Tenant's improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:
  - (a) Made a part of the building or structure you occupy but do not own; and
  - (b) You acquired or made at your expense but cannot legally remove;
- (4) Leased personal property which you have a contractual responsibility to insure, unless otherwise provided for under Paragraph 1.b.(2); and

- (5) Exterior building glass, if you are a tenant and no Limit Of Insurance is shown in the Declarations for Building property. The glass must be owned by you or in your care, custody or control.

## 2. Property Not Covered

Covered Property does not include:

- a. Aircraft, automobiles, motortrucks and other vehicles subject to motor vehicle registration;
- b. "Money" or "securities" except as provided in the:
  - (1) Money And Securities Optional Coverage; or
  - (2) Employee Dishonesty Optional Coverage;
- c. Contraband, or property in the course of illegal transportation or trade;
- d. Land (including land on which the property is located), water, growing crops or lawns (other than lawns which are part of a vegetated roof);
- e. Outdoor fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, signs (other than signs attached to buildings), trees, shrubs or plants (other than trees, shrubs or plants which are part of a vegetated roof), all except as provided in the:
  - (1) Outdoor Property Coverage Extension; or
  - (2) Outdoor Signs Optional Coverage;
- f. Watercraft (including motors, equipment and accessories) while afloat;
- g. Accounts, bills, food stamps, other evidences of debt, accounts receivable or "valuable papers and records"; except as otherwise provided in this policy;
- h. "Computer(s)" which are permanently installed or designed to be permanently installed in any aircraft, watercraft, motortruck or other vehicle subject to motor vehicle registration. This paragraph does not apply to "computer(s)" while held as "stock";

- i. "Electronic data", except as provided under Additional Coverages – Electronic Data. This Paragraph i. does not apply to your "stock" of prepackaged software or to "electronic data" which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning or security system; or
- j. Animals, unless owned by others and boarded by you, or if owned by you, only as "stock" while inside of buildings.

## 3. Covered Causes Of Loss

Direct physical loss unless the loss is excluded or limited under Section I – Property.

## 4. Limitations

- a. We will not pay for loss of or damage to:
  - (1) Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
  - (2) Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
  - (3) Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property. This limitation does not apply to the Optional Coverage for Money and Securities.
  - (4) Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.
  - (5) The interior of any building or structure, or to personal property in the building or structure, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:
    - (a) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or

- (b) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.
- (6) Lawns, trees, shrubs or plants which are part of a vegetated roof, caused by or resulting from:
  - (a) Dampness or dryness of atmosphere or of soil supporting the vegetation;
  - (b) Changes in or extremes of temperature;
  - (c) Disease;
  - (d) Frost or hail; or
  - (e) Rain, snow, ice or sleet.
- b. We will not pay for loss of or damage to the following types of property unless caused by the "specified causes of loss" or building glass breakage:
  - (1) Animals, and then only if they are killed or their destruction is made necessary.
  - (2) Fragile articles such as glassware, statuary, marble, chinaware and porcelain, if broken. This restriction does not apply to:
    - (a) Glass that is part of the exterior or interior of a building or structure;
    - (b) Containers of property held for sale; or
    - (c) Photographic or scientific instrument lenses.
- c. For loss or damage by theft, the following types of property are covered only up to the limits shown (unless a higher Limit Of Insurance is shown in the Declarations):
  - (1) \$2,500 for furs, fur garments and garments trimmed with fur.
  - (2) \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semiprecious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
  - (3) \$2,500 for patterns, dies, molds and forms.

## 5. Additional Coverages

### a. Debris Removal

- (1) Subject to Paragraphs (2), (3) and (4), we will pay your expense to remove debris of Covered Property and other debris that is on the described premises, when such debris is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.
- (2) Debris Removal does not apply to costs to:
  - (a) Remove debris of property of yours that is not insured under this policy, or property in your possession that is not Covered Property;
  - (b) Remove debris of property owned by or leased to the landlord of the building where your described premises are located, unless you have a contractual responsibility to insure such property and it is insured under this policy;
  - (c) Remove any property that is Property Not Covered, including property addressed under the Outdoor Property Coverage Extension;
  - (d) Remove property of others of a type that would not be Covered Property under this policy;
  - (e) Remove deposits of mud or earth from the grounds of the described premises;
  - (f) Extract "pollutants" from land or water; or
  - (g) Remove, restore or replace polluted land or water.
- (3) Subject to the exceptions in Paragraph (4), the following provisions apply:
  - (a) The most that we will pay for the total of direct physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.

(b) Subject to Paragraph (3)(a) above, the amount we will pay for debris removal expense is limited to 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage. However, if no Covered Property has sustained direct physical loss or damage, the most we will pay for removal of debris of other property (if such removal is covered under this Additional Coverage) is \$5,000 at each location.

(4) We will pay up to an additional \$25,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:

(a) The total of the actual debris removal expense plus the amount we pay for direct physical loss or damage exceeds the Limit of Insurance on the Covered Property that has sustained loss or damage.

(b) The actual debris removal expense exceeds 25% of the sum of the deductible plus the amount that we pay for direct physical loss or damage to the Covered Property that has sustained loss or damage.

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

**(5) Examples**

**Example 1**

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

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

**Example 2**

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

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

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

**b. Preservation Of Property**

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

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

**c. Fire Department Service Charge**

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$2,500 for service at each premises described in the Declarations, unless a different limit is shown in the Declarations. Such limit is the most we will pay regardless of the number of responding fire departments or fire units, and regardless of the number or type of services performed.

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

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

**d. Collapse**

The coverage provided under this Additional Coverage – Collapse applies only to an abrupt collapse as described and limited in Paragraphs **d.(1)** through **d.(7)**.

- (1) For the purpose of this Additional Coverage – Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.
- (2) We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this policy or that contains Covered Property insured under this policy, if such collapse is caused by one or more of the following:
  - (a) Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;

- (b) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;

- (c) Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation.

- (d) Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:

- (i) A cause of loss listed in Paragraph **(2)(a)** or **(2)(b)**;
- (ii) One or more of the "specified causes of loss";
- (iii) Breakage of building glass;
- (iv) Weight of people or personal property; or
- (v) Weight of rain that collects on a roof.

- (3) This Additional Coverage – Collapse does **not** apply to:

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

- (4) With respect to the following property:

- (a) Awnings;
- (b) Gutters and downspouts;
- (c) Yard fixtures;
- (d) Outdoor swimming pools;
- (e) Piers, wharves and docks;
- (f) Beach or diving platforms or appurtenances;
- (g) Retaining walls; and
- (h) Walks, roadways and other paved surfaces;

if an abrupt collapse is caused by a cause of loss listed in Paragraphs **(2)(a)** through **(2)(d)**, we will pay for loss or damage to that property only if such loss or damage is a direct result of the abrupt collapse of a building insured under this policy and the property is Covered Property under this policy.

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

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

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

**e. Water Damage, Other Liquids, Powder Or Molten Material Damage**

If loss or damage caused by or resulting from covered water or other liquid, powder or molten material occurs, we will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or other substance escapes.

We will not pay the cost to repair any defect that caused the loss or damage, but we will pay the cost to repair or replace damaged parts of fire extinguishing equipment if the damage:

- (1)** Results in discharge of any substance from an automatic fire protection system; or
- (2)** Is directly caused by freezing.

**f. Business Income**

**(1) Business Income**

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

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

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

- (b)** We will only pay for loss of Business Income that you sustain during the "period of restoration" and that occurs within 12 consecutive months after the date of direct physical loss or damage. We will only pay for ordinary payroll expenses for 60 days following the date of direct physical loss or damage, unless a greater number of days is shown in the Declarations.
- (c)** Business Income means the:
  - (i)** Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses; and
  - (ii)** Continuing normal operating expenses incurred, including payroll.
- (d)** Ordinary payroll expenses:
  - (i)** Means payroll expenses for all your employees except:
    - i.** Officers;
    - ii.** Executives;
    - iii.** Department Managers;
    - iv.** Employees under contract; and
    - v.** Additional Exemptions shown in the Declarations as:
      - Job Classifications; or
      - Employees.
  - (ii)** Include:
    - i.** Payroll;
    - ii.** Employee benefits, if directly related to payroll;
    - iii.** FICA payments you pay;
    - iv.** Union dues you pay; and
    - v.** Workers' compensation premiums.

**(2) Extended Business Income**

- (a)** If the necessary suspension of your "operations" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you incur during the period that:
  - (i)** Begins on the date property except finished stock is actually repaired, rebuilt or replaced and "operations" are resumed; and
  - (ii)** Ends on the earlier of:
    - i.** The date you could restore your "operations", with reasonable speed, to the level which would generate the Business Income amount that would have existed if no direct physical loss or damage had occurred; or
    - ii.** 60 consecutive days after the date determined in Paragraph **(a)(i)** above, unless a greater number of consecutive days is shown in the Declarations.

However, Extended Business Income does not apply to loss of Business Income incurred as a result of unfavorable business conditions caused by the impact of the Covered Cause of Loss in the area where the described premises are located.
- (b)** Loss of Business Income must be caused by direct physical loss or damage at the described premises caused by or resulting from any Covered Cause of Loss.
- (3)** With respect to the coverage provided in this Additional Coverage, suspension means:
  - (a)** The partial slowdown or complete cessation of your business activities; or
  - (b)** That a part or all of the described premises is rendered untenable, if coverage for Business Income applies.
- (4)** This Additional Coverage is not subject to the Limits of Insurance of Section I – Property.



**g. Extra Expense**

- (1) We will pay necessary Extra Expense you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property at the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of such premises.

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

- (a) The portion of the building which you rent, lease or occupy;
  - (b) The area within 100 feet of the building or within 100 feet of the premises described in the Declarations, whichever distance is greater (with respect to loss of or damage to personal property in the open or personal property in a vehicle); and
  - (c) Any area within the building or at the described premises, if that area services, or is used to gain access to, the portion of the building which you rent, lease or occupy.
- (2) Extra Expense means expense incurred:
- (a) To avoid or minimize the suspension of business and to continue "operations":
    - (i) At the described premises; or
    - (ii) At replacement premises or at temporary locations, including relocation expenses, and costs to equip and operate the replacement or temporary locations.
  - (b) To minimize the suspension of business if you cannot continue "operations".

(c) To:

- (i) Repair or replace any property; or
- (ii) Research, replace or restore the lost information on damaged "valuable papers and records";

to the extent it reduces the amount of loss that otherwise would have been payable under this Additional Coverage or Additional Coverage f. Business Income.

- (3) With respect to the coverage provided in this Additional Coverage, suspension means:

- (a) The partial slowdown or complete cessation of your business activities; or
- (b) That a part or all of the described premises is rendered untenable, if coverage for Business Income applies.

- (4) We will only pay for Extra Expense that occurs within 12 consecutive months after the date of direct physical loss or damage. This Additional Coverage is not subject to the Limits of Insurance of Section I – Property.

**h. Pollutant Clean-up And Removal**

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

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

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

**i. Civil Authority**

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

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

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

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

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

whichever is later.

The definitions of Business Income and Extra Expense contained in the Business Income and Extra Expense Additional Coverages also apply to this Civil Authority Additional Coverage. The Civil Authority Additional Coverage is not subject to the Limits of Insurance of Section I – Property.

**j. Money Orders And "Counterfeit Money"**

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

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

The most we will pay for any loss under this Additional Coverage is \$1,000.

**k. Forgery Or Alteration**

- (1) We will pay for loss resulting directly from forgery or alteration of any check, draft, promissory note, bill of exchange or similar written promise of payment in "money" that you or your agent has issued, or that was issued by someone who impersonates you or your agent.
- (2) If you are sued for refusing to pay the check, draft, promissory note, bill of exchange or similar written promise of payment in "money", on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur in that defense.
- (3) For the purpose of this coverage, check includes a substitute check as defined in the Check Clearing for the 21st Century Act and will be treated the same as the original it replaced.
- (4) The most we will pay for any loss, including legal expenses, under this Additional Coverage is \$2,500, unless a higher Limit Of Insurance is shown in the Declarations.

**l. Increased Cost Of Construction**

- (1) This Additional Coverage applies only to buildings insured on a replacement cost basis.
- (2) In the event of damage by a Covered Cause of Loss to a building that is Covered Property, we will pay the increased costs incurred to comply with the minimum standards of an ordinance or law in the course of repair, rebuilding or replacement of damaged parts of that property, subject to the limitations stated in Paragraphs (3) through (9) of this Additional Coverage.

- (3) The ordinance or law referred to in Paragraph (2) of this Additional Coverage is an ordinance or law that regulates the construction or repair of buildings or establishes zoning or land use requirements at the described premises and is in force at the time of loss.
- (4) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:
- (a) You were required to comply with before the loss, even when the building was undamaged; and
  - (b) You failed to comply with.
- (5) Under this Additional Coverage, we will not pay for:
- (a) The enforcement of or compliance with any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungi", wet rot or dry rot; or
  - (b) Any costs associated with the enforcement of or compliance with an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungi", wet rot or dry rot.
- (6) The most we will pay under this Additional Coverage, for each described building insured under Section I – Property, is \$10,000. If a damaged building(s) is covered under a blanket Limit of Insurance which applies to more than one building or item of property, then the most we will pay under this Additional Coverage, for each damaged building, is \$10,000.

The amount payable under this Additional Coverage is additional insurance.

- (7) With respect to this Additional Coverage:
- (a) We will not pay for the Increased Cost of Construction:
    - (i) Until the property is actually repaired or replaced, at the same or another premises; and
    - (ii) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage, not to exceed two years. We may extend this period in writing during the two years.
  - (b) If the building is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction is the increased cost of construction at the same premises.
  - (c) If the ordinance or law requires relocation to another premises, the most we will pay for the Increased Cost of Construction is the increased cost of construction at the new premises.
- (8) This Additional Coverage is not subject to the terms of the Ordinance Or Law Exclusion, to the extent that such exclusion would conflict with the provisions of this Additional Coverage.
- (9) The costs addressed in the Loss Payment Property Loss Condition in Section I – Property do not include the increased cost attributable to enforcement of or compliance with an ordinance or law. The amount payable under this Additional Coverage, as stated in Paragraph (6) of this Additional Coverage, is not subject to such limitation.

**m. Business Income From Dependent Properties**

- (1) We will pay for the actual loss of Business Income you sustain due to physical loss or damage at the premises of a dependent property or secondary dependent property caused by or resulting from any Covered Cause of Loss.

However, this Additional Coverage does not apply when the only loss at the premises of a dependent property or secondary dependent property is loss or damage to "electronic data", including destruction or corruption of "electronic data". If the dependent property or secondary dependent property sustains loss or damage to "electronic data" and other property, coverage under this Additional Coverage will not continue once the other property is repaired, rebuilt or replaced.

The most we will pay under this Additional Coverage is \$5,000 unless a higher Limit Of Insurance is indicated in the Declarations.

- (2)** We will reduce the amount of your Business Income loss, other than Extra Expense, to the extent you can resume "operations", in whole or in part, by using any other available:
  - (a)** Source of materials; or
  - (b)** Outlet for your products.
- (3)** If you do not resume "operations", or do not resume "operations" as quickly as possible, we will pay based on the length of time it would have taken to resume "operations" as quickly as possible.
- (4)** Dependent property means property owned by others whom you depend on to:
  - (a)** Deliver materials or services to you, or to others for your account. But services does not mean water supply services, wastewater removal services, communication supply services or power supply services;
  - (b)** Accept your products or services;
  - (c)** Manufacture your products for delivery to your customers under contract for sale; or
  - (d)** Attract customers to your business.

The dependent property must be located in the coverage territory of this policy.
- (5)** Secondary dependent property means an entity which is not owned or operated by a dependent property and which:
  - (a)** Delivers materials or services to a dependent property, which in turn are used by the dependent property in providing materials or services to you; or

- (b)** Accepts materials or services from a dependent property, which in turn accepts your materials or services.

A road, bridge, tunnel, waterway, airfield, pipeline or any other similar area or structure is not a secondary dependent property.

Any property which delivers any of the following services is not a secondary dependent property with respect to such services:

- (i)** Water supply services;
- (ii)** Wastewater removal services;
- (iii)** Communication supply services; or
- (iv)** Power supply services.

The secondary dependent property must be located in the coverage territory of this policy.

- (6)** The coverage period for Business Income under this Additional Coverage:
  - (a)** Begins 72 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the premises of the dependent property or secondary dependent property; and
  - (b)** Ends on the date when the property at the premises of the dependent property or secondary dependent property should be repaired, rebuilt or replaced with reasonable speed and similar quality.
- (7)** The Business Income coverage period, as stated in Paragraph **(6)**, does not include any increased period required due to the enforcement of or compliance with any ordinance or law that:
  - (a)** Regulates the construction, use or repair, or requires the tearing down of any property; or
  - (b)** Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

The expiration date of this policy will not reduce the Business Income coverage period.

- (8) The definition of Business Income contained in the Business Income Additional Coverage also applies to this Business Income From Dependent Properties Additional Coverage.

**n. Glass Expenses**

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

**o. Fire Extinguisher Systems Recharge Expense**

- (1) We will pay:
- (a) The cost of recharging or replacing, whichever is less, your fire extinguishers and fire extinguishing systems (including hydrostatic testing if needed) if they are discharged on or within 100 feet of the described premises; and
- (b) For loss or damage to Covered Property if such loss or damage is the result of an accidental discharge of chemicals from a fire extinguisher or a fire extinguishing system.
- (2) No coverage will apply if the fire extinguishing system is discharged during installation or testing.
- (3) The most we will pay under this Additional Coverage is \$5,000 in any one occurrence.

**p. Electronic Data**

- (1) Subject to the provisions of this Additional Coverage, we will pay for the cost to replace or restore "electronic data" which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that "electronic data" is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the "electronic data" was stored, with blank media of substantially identical type.

- (2) The Covered Causes of Loss applicable to Business Personal Property include a computer virus, harmful code or similar instruction introduced into or enacted on a computer system (including "electronic data") or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for loss or damage caused by or resulting from manipulation of a computer system (including "electronic data") by any employee, including a temporary or leased employee, or by an entity retained by you, or for you, to inspect, design, install, modify, maintain, repair or replace that system.

- (3) The most we will pay under this Additional Coverage – Electronic Data for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved, is \$10,000, unless a higher Limit Of Insurance is shown in the Declarations. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in, but not after, that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

- (4) This Additional Coverage does not apply to your "stock" of prepackaged software, or to "electronic data" which is integrated in and operates or controls a building's elevator, lighting, heating, ventilation, air conditioning or security system.

**q. Interruption Of Computer Operations**

- (1) Subject to all provisions of this Additional Coverage, you may extend the insurance that applies to Business Income and Extra Expense to apply to a suspension of "operations" caused by an interruption in computer operations due to destruction or corruption of "electronic data" due to a Covered Cause of Loss.

- (2) With respect to the coverage provided under this Additional Coverage, the Covered Causes of Loss are subject to the following:
- (a) Coverage under this Additional Coverage – Interruption Of Computer Operations is limited to the "specified causes of loss" and Collapse.
  - (b) If the Businessowners Coverage Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage.
  - (c) The Covered Causes of Loss include a computer virus, harmful code or similar instruction introduced into or enacted on a computer system (including "electronic data") or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including "electronic data") by any employee, including a temporary or leased employee, or by an entity retained by you, or for you, to inspect, design, install, modify, maintain, repair or replace that system.
- (3) The most we will pay under this Additional Coverage – Interruption Of Computer Operations for all loss sustained and expense incurred in any one policy year, regardless of the number of interruptions or the number of premises, locations or computer systems involved, is \$10,000 unless a higher Limit Of Insurance is shown in the Declarations. If loss payment relating to the first interruption does not exhaust this amount, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions in that policy year. A balance remaining at the end of a policy year does not increase the amount of insurance in the next policy year. With respect to any interruption which begins in one policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.
- (4) This Additional Coverage – Interruption Of Computer Operations does not apply to loss sustained or expense incurred after the end of the "period of restoration", even if the amount of insurance stated in (3) above has not been exhausted.
- (5) Coverage for Business Income does not apply when a suspension of "operations" is caused by destruction or corruption of "electronic data", or any loss or damage to "electronic data", except as provided under Paragraphs (1) through (4) of this Additional Coverage.

- (6) Coverage for Extra Expense does not apply when action is taken to avoid or minimize a suspension of "operations" caused by destruction or corruption of "electronic data", or any loss or damage to "electronic data", except as provided under Paragraphs (1) through (4) of this Additional Coverage.
- (7) This Additional Coverage does not apply when loss or damage to "electronic data" involves only "electronic data" which is integrated in and operates or controls a building's elevator, lighting, heating, ventilation, air conditioning or security system.

**r. Limited Coverage For "Fungi", Wet Rot Or Dry Rot**

- (1) The coverage described in Paragraphs r.(2) and r.(6) only applies when the "fungi", wet rot or dry rot is the result of a "specified cause of loss" other than fire or lightning that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.

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

- (2) We will pay for loss or damage by "fungi", wet rot or dry rot. As used in this Limited Coverage, the term loss or damage means:
  - (a) Direct physical loss or damage to Covered Property caused by "fungi", wet rot or dry rot, including the cost of removal of the "fungi", wet rot or dry rot;
  - (b) The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungi", wet rot or dry rot; and
  - (c) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungi", wet rot or dry rot is present.

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

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

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

- (5) The terms of this Limited Coverage do not increase or reduce the coverage provided under the Water Damage, Other Liquids, Powder Or Molten Material Damage or Collapse Additional Coverages.

(6) The following applies only if Business Income and/or Extra Expense Coverage applies to the described premises and only if the suspension of "operations" satisfies all the terms and conditions of the applicable Business Income and/or Extra Expense Additional Coverage:

- (a) If the loss which resulted in "fungi", wet rot or dry rot does not in itself necessitate a suspension of "operations", but such suspension is necessary due to loss or damage to property caused by "fungi", wet rot or dry rot, then our payment under the Business Income and/or Extra Expense Additional Coverages is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
- (b) If a covered suspension of "operations" was caused by loss or damage other than "fungi", wet rot or dry rot, but remediation of "fungi", wet rot or dry rot prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

## 6. Coverage Extensions

In addition to the Limits of Insurance of Section I – Property, you may extend the insurance provided by this policy as provided below.

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

### a. Newly Acquired Or Constructed Property

#### (1) Buildings

If this policy covers Buildings, you may extend that insurance to apply to:

- (a) Your new buildings while being built on the described premises; and
- (b) Buildings you acquire at premises other than the one described, intended for:
  - (i) Similar use as the building described in the Declarations; or
  - (ii) Use as a warehouse.

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

#### (2) Business Personal Property

If this policy covers Business Personal Property, you may extend that insurance to apply to:

- (a) Business Personal Property, including such property that you newly acquire, at any location you acquire; or
- (b) Business Personal Property, including such property that you newly acquire, located at your newly constructed or acquired buildings at the location described in the Declarations.

This Extension does not apply to personal property that you temporarily acquire in the course of installing or performing work on such property or your wholesale activities.

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

#### (3) Period Of Coverage

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

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

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

#### b. Personal Property Off-premises

You may extend the insurance provided by this policy to apply to your Covered Property, other than "money" and "securities", "valuable papers and records" or accounts receivable, while it is in the course of transit or at a premises you do not own, lease or operate. The most we will pay for loss or damage under this Extension is \$10,000.



### c. Outdoor Property

You may extend the insurance provided by this policy to apply to your outdoor fences, radio and television antennas (including satellite dishes), signs (other than signs attached to buildings), trees, shrubs and plants (other than trees, shrubs or plants which are part of a vegetated roof), including debris removal expense. Loss or damage must be caused by or result from any of the following causes of loss:

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

The most we will pay for loss or damage under this Extension is \$2,500, unless a higher Limit Of Insurance for Outdoor Property is shown in the Declarations, but not more than \$1,000 for any one tree, shrub or plant.

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

### d. Personal Effects

You may extend the insurance that applies to Business Personal Property to apply to personal effects owned by you, your officers, your partners or "members", your "managers" or your employees, including temporary or leased employees. This extension does not apply to:

- (1) Tools or equipment used in your business; or
- (2) Loss or damage by theft.

The most we will pay for loss or damage under this Extension is \$2,500 at each described premises.

### e. Valuable Papers And Records

- (1) You may extend the insurance that applies to Business Personal Property to apply to direct physical loss or damage to "valuable papers and records" that you own, or that are in your care, custody or control, caused by or resulting from a Covered Cause of Loss. This Coverage Extension includes the cost to research, replace or restore the lost information on "valuable papers and records" for which duplicates do not exist.
- (2) This Coverage Extension does not apply to:
  - (a) Property held as samples or for delivery after sale; and
  - (b) Property in storage away from the premises shown in the Declarations.
- (3) The most we will pay under this Coverage Extension for loss or damage to "valuable papers and records" in any one occurrence at the described premises is \$10,000, unless a higher Limit Of Insurance for "valuable papers and records" is shown in the Declarations.

For "valuable papers and records" not at the described premises, the most we will pay is \$5,000.

- (4) Loss or damage to "valuable papers and records" will be valued at the cost of restoration or replacement of the lost or damaged information. To the extent that the contents of the "valuable papers and records" are not restored, the "valuable papers and records" will be valued at the cost of replacement with blank materials of substantially identical type.
- (5) Paragraph **B.** Exclusions in Section **I** – Property does not apply to this Coverage Extension except for:
  - (a) Paragraph **B.1.c.**, Governmental Action;
  - (b) Paragraph **B.1.d.**, Nuclear Hazard;
  - (c) Paragraph **B.1.f.**, War And Military Action;

- (d) Paragraph **B.2.f.**, Dishonesty;
- (e) Paragraph **B.2.g.**, False Pretense;
- (f) Paragraph **B.2.m.(2)**, Errors Or Omissions; and
- (g) Paragraph **B.3.**

**f. Accounts Receivable**

- (1) You may extend the insurance that applies to Business Personal Property to apply to accounts receivable. We will pay:
  - (a) All amounts due from your customers that you are unable to collect;
  - (b) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
  - (c) Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and
  - (d) Other reasonable expenses that you incur to reestablish your records of accounts receivable;

that result from direct physical loss or damage by any Covered Cause of Loss to your records of accounts receivable.

- (2) The most we will pay under this Coverage Extension for loss or damage in any one occurrence at the described premises is \$10,000, unless a higher Limit of Insurance for accounts receivable is shown in the Declarations.

For accounts receivable not at the described premises, the most we will pay is \$5,000.

- (3) Paragraph **B.** Exclusions in Section **I** – Property does not apply to this Coverage Extension except for:
  - (a) Paragraph **B.1.c.**, Governmental Action;
  - (b) Paragraph **B.1.d.**, Nuclear Hazard;
  - (c) Paragraph **B.1.f.**, War And Military Action;
  - (d) Paragraph **B.2.f.**, Dishonesty;
  - (e) Paragraph **B.2.g.**, False Pretense;
  - (f) Paragraph **B.3.**; and
  - (g) Paragraph **B.6.**, Accounts Receivable Exclusion.

**g. Business Personal Property Temporarily In Portable Storage Units**

- (1) You may extend the insurance that applies to Business Personal Property to apply to such property while temporarily stored in a portable storage unit (including a detached trailer) located within 100 feet of the buildings or structures described in the Declarations or within 100 feet of the described premises, whichever distance is greater.
- (2) The limitation under Paragraph **A.4.a.(5)** also applies to property in a portable storage unit.
- (3) Coverage under this Extension:
  - (a) Will end 90 days after the Business Personal Property has been placed in the storage unit;
  - (b) Does not apply if the storage unit itself has been in use at the described premises for more than 90 consecutive days, even if the Business Personal Property has been stored there for 90 or fewer days as of the time of loss or damage.
- (4) Under this Extension, the most we will pay for the total of all loss or damage to Business Personal Property is \$10,000 (unless a higher limit is indicated in the Declarations for such Extension) regardless of the number of storage units.
- (5) This Extension does not apply to loss or damage otherwise covered under this Coverage Form or any endorsement to this Coverage Form, and does not apply to loss or damage to the storage unit itself.

**B. Exclusions**

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

**a. Ordinance Or Law**

- (1) The enforcement of or compliance with any ordinance or law:
  - (a) Regulating the construction, use or repair of any property; or

- (b) Requiring the tearing down of any property, including the cost of removing its debris.
- (2) This exclusion, Ordinance Or Law, applies whether the loss results from:
  - (a) An ordinance or law that is enforced even if the property has not been damaged; or
  - (b) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property or removal of its debris, following a physical loss to that property.

**b. Earth Movement**

- (1) Earthquake, including tremors and aftershocks and any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;
- (4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

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

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

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

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

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

Volcanic action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss of or damage to Covered Property.

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

**c. Governmental Action**

Seizure or destruction of property by order of governmental authority.

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

**d. Nuclear Hazard**

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

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

**e. Utility Services**

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

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

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

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

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

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

This exclusion does not apply to loss or damage to "computer(s)" and "electronic data".

#### **f. War And Military Action**

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

#### **g. Water**

- (1) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
- (2) Mudslide or mudflow;
- (3) Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment;
- (4) Water under the ground surface pressing on, or flowing or seeping through:
  - (a) Foundations, walls, floors or paved surfaces;
  - (b) Basements, whether paved or not; or
  - (c) Doors, windows or other openings; or
- (5) Waterborne material carried or otherwise moved by any of the water referred to in Paragraph (1), (3) or (4), or material carried or otherwise moved by mudslide or mudflow.

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

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

#### **h. Certain Computer-related Losses**

- (1) The failure, malfunction or inadequacy of:
  - (a) Any of the following, whether belonging to any insured or to others:
    - (i) "Computer" hardware, including microprocessors or other electronic data processing equipment as may be described elsewhere in this policy;
    - (ii) "Computer" application software or other "electronic data" as may be described elsewhere in this policy;
    - (iii) "Computer" operating systems and related software;
    - (iv) "Computer" networks;
    - (v) Microprocessors ("computer" chips) not part of any "computer" system; or
    - (vi) Any other computerized or electronic equipment or components; or
  - (b) Any other products, and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph (a) above;

due to the inability to correctly recognize, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.

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

However, if excluded loss or damage, as described in Paragraph (1) above, results in a "specified cause of loss" under Section I – Property, we will pay only for the loss or damage caused by such "specified cause of loss".

We will not pay for repair, replacement or modification of any items in Paragraph (1)(a) or (1)(b) to correct any deficiencies or change any features.

**i. "Fungi", Wet Rot Or Dry Rot**

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

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

This exclusion does not apply:

- (1) When "fungi", wet rot or dry rot results from fire or lightning; or
  - (2) To the extent that coverage is provided in the Limited Coverage For "Fungi", Wet Rot Or Dry Rot Additional Coverage, with respect to loss or damage by a cause of loss other than fire or lightning.
- j. Virus Or Bacteria**
- (1) Any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.
  - (2) However, the exclusion in Paragraph (1) does not apply to loss or damage caused by or resulting from "fungi", wet rot or dry rot. Such loss or damage is addressed in Exclusion i.
  - (3) With respect to any loss or damage subject to the exclusion in Paragraph (1), such exclusion supersedes any exclusion relating to "pollutants".

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

**a. Electrical Apparatus**

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

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

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

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

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

We will pay for loss or damage to "computer(s)" due to artificially generated electrical, magnetic or electromagnetic energy if such loss or damage is caused by or results from:

- (1) An occurrence that took place within 100 feet of the described premises; or
- (2) Interruption of electric power supply, power surge, blackout or brownout if the cause of such occurrence took place within 100 feet of the described premises.

**b. Consequential Losses**

Delay, loss of use or loss of market.

**c. Smoke, Vapor, Gas**

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

**d. Steam Apparatus**

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

**e. Frozen Plumbing**

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

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

**f. Dishonesty**

Dishonest or criminal acts (including theft) by you, anyone else with an interest in the property, or any of your or their partners, "members", officers, "managers", employees (including temporary or leased employees), directors, trustees or authorized representatives, whether acting alone or in collusion with each other or with any other party; or theft by any person to whom you entrust the property for any purpose, whether acting alone or in collusion with any other party.

This exclusion:

- (1) Applies whether or not an act occurs during your normal hours of operation;
- (2) Does not apply to acts of destruction by your employees (including temporary or leased employees) or authorized representatives; but theft by your employees (including temporary or leased employees) or authorized representatives is not covered.

With respect to accounts receivable and "valuable papers and records", this exclusion does not apply to carriers for hire.

This exclusion does not apply to coverage that is provided under the Employee Dishonesty Optional Coverage.

**g. False Pretense**

Voluntary parting with any property by you or anyone else to whom you have entrusted the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

**h. Exposed Property**

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

**i. Collapse**

- (1) Collapse, including any of the following conditions of property or any part of the property:
  - (a) An abrupt falling down or caving in;
  - (b) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
  - (c) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion as such condition relates to Paragraph **i.(1)(a)** or **i.(1)(b)**.

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

- (2) This Exclusion **i.** does not apply:
  - (a) To the extent that coverage is provided under the Additional Coverage – Collapse; or
  - (b) To collapse caused by one or more of the following:
    - (i) The "specified causes of loss";
    - (ii) Breakage of building glass;
    - (iii) Weight of rain that collects on a roof; or
    - (iv) Weight of people or personal property.

**j. Pollution**

We will not pay for loss or damage caused by or resulting from the discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

**k. Neglect**

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

**l. Other Types Of Loss**

- (1) Wear and tear;
- (2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;
- (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals;
- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force.

This exclusion does not apply with respect to the breakdown of "computer(s)";

- (7) The following causes of loss to personal property:
  - (a) Dampness or dryness of atmosphere;
  - (b) Changes in or extremes of temperature; or
  - (c) Marring or scratching.

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

**m. Errors Or Omissions**

Errors or omissions in:

- (1) Programming, processing or storing data, as described under "electronic data" or in any "computer" operations; or
- (2) Processing or copying "valuable papers and records".

However, we will pay for direct physical loss or damage caused by resulting fire or explosion if these causes of loss would be covered by this Coverage Form.

**n. Installation, Testing, Repair**

Errors or deficiency in design, installation, testing, maintenance, modification or repair of your "computer" system including "electronic data".

However, we will pay for direct physical loss or damage caused by resulting fire or explosion if these causes of loss would be covered by this Coverage Form.

**o. Electrical Disturbance**

Electrical or magnetic injury, disturbance or erasure of "electronic data", except as provided for under the Additional Coverages of Section I – Property.

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

**p. Continuous Or Repeated Seepage Or Leakage Of Water**

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

- 3. We will not pay for loss or damage caused by or resulting from any of the following Paragraphs a. through c. But if an excluded cause of loss that is listed in Paragraphs a. through c. results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

**a. Weather Conditions**

Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph B.1. above to produce the loss or damage.

**b. Acts Or Decisions**

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

**c. Negligent Work**

Faulty, inadequate or defective:

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

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

#### 4. Additional Exclusion

The following applies only to the property specified in this Additional Exclusion:

##### Loss Or Damage To Products

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

#### 5. Business Income And Extra Expense Exclusions

a. We will not pay for:

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

(a) Delay in rebuilding, repairing or replacing the property or resuming "operations", due to interference at the location of the rebuilding, repair or replacement by strikers or other persons; or

(b) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the suspension of "operations", we will cover such loss that affects your Business Income during the "period of restoration" and any extension of the "period of restoration" in accordance with the terms of the Extended Business Income Additional Coverage.

(2) Any other consequential loss.

b. With respect to this exclusion, suspension means:

(1) The partial slowdown or complete cessation of your business activities; and

(2) That a part or all of the described premises is rendered untenable, if coverage for Business Income applies.

#### 6. Accounts Receivable Exclusion

The following additional exclusion applies to the Accounts Receivable Coverage Extension:

We will not pay for:

a. Loss or damage caused by or resulting from alteration, falsification, concealment or destruction of records of accounts receivable done to conceal the wrongful giving, taking or withholding of "money", "securities" or other property.

This exclusion applies only to the extent of the wrongful giving, taking or withholding.

b. Loss or damage caused by or resulting from bookkeeping, accounting or billing errors or omissions.

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

#### C. Limits Of Insurance

1. The most we will pay for loss or damage in any one occurrence is the applicable Limits Of Insurance of Section I – Property shown in the Declarations.

2. The most we will pay for loss of or damage to outdoor signs attached to buildings is \$1,000 per sign in any one occurrence.

3. The amounts of insurance applicable to the Coverage Extensions and the following Additional Coverages apply in accordance with the terms of such coverages and are in addition to the Limits of Insurance of Section I – Property:

a. Fire Department Service Charge;

b. Pollutant Clean-up And Removal;

c. Increased Cost Of Construction;

d. Business Income From Dependent Properties;

e. Electronic Data; and

f. Interruption Of Computer Operations.

#### 4. Building Limit – Automatic Increase

a. In accordance with Paragraph C.4.b., the Limit of Insurance for Buildings will automatically increase by 8%, unless a different percentage of annual increase is shown in the Declarations.



b. The amount of increase is calculated as follows:

(1) Multiply the Building limit that applied on the most recent of the policy inception date, the policy anniversary date or any other policy change amending the Building limit by:

(a) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 7% is .07); or

(b) .08, if no percentage of annual increase is shown in the Declarations; and

(2) Multiply the number calculated in accordance with b.(1) by the number of days since the beginning of the current policy year, or the effective date of the most recent policy change amending the Building limit, divided by 365.

#### Example

If:

The applicable Building limit is \$100,000. The annual percentage increase is 8%. The number of days since the beginning of the policy year (or last policy change) is 146.

The amount of increase is

$\$100,000 \times .08 \times 146 \div 365 = \$3,200.$

#### 5. Business Personal Property Limit – Seasonal Increase

a. Subject to Paragraph 5.b., the Limit of Insurance for Business Personal Property is automatically increased by:

(1) The Business Personal Property – Seasonal Increase percentage shown in the Declarations; or

(2) 25% if no Business Personal Property – Seasonal Increase percentage is shown in the Declarations;

to provide for seasonal variances.

b. The increase described in Paragraph 5.a. will apply only if the Limit Of Insurance shown for Business Personal Property in the Declarations is at least 100% of your average monthly values during the lesser of:

(1) The 12 months immediately preceding the date the loss or damage occurs; or

(2) The period of time you have been in business as of the date the loss or damage occurs.

#### D. Deductibles

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

2. Regardless of the amount of the Deductible, the most we will deduct from any loss or damage under all of the following Optional Coverages in any one occurrence is the Optional Coverage Deductible shown in the Declarations:

a. Money and Securities;

b. Employee Dishonesty;

c. Outdoor Signs; and

d. Forgery or Alteration.

But this Optional Coverage Deductible will not increase the Deductible shown in the Declarations. This Deductible will be used to satisfy the requirements of the Deductible in the Declarations.

3. No deductible applies to the following Additional Coverages:

a. Fire Department Service Charge;

b. Business Income;

c. Extra Expense;

d. Civil Authority; and

e. Fire Extinguisher Systems Recharge Expense.

#### E. Property Loss Conditions

##### 1. Abandonment

There can be no abandonment of any property to us.

##### 2. Appraisal

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

a. Pay its chosen appraiser; and

b. Bear the other expenses of the appraisal and umpire equally.

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

### 3. Duties In The Event Of Loss Or Damage

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

- (1) Notify the police if a law may have been broken.
- (2) Give us prompt notice of the loss or damage. Include a description of the property involved.
- (3) As soon as possible, give us a description of how, when and where the loss or damage occurred.
- (4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limits of Insurance of Section I – Property. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
- (5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
- (6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.  
  
Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.
- (7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- (8) Cooperate with us in the investigation or settlement of the claim.
- (9) Resume all or part of your "operations" as quickly as possible.

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

### 4. Legal Action Against Us

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

- a. There has been full compliance with all of the terms of this insurance; and
- b. The action is brought within two years after the date on which the direct physical loss or damage occurred.

### 5. Loss Payment

In the event of loss or damage covered by this policy:

- a. At our option, we will either:
  - (1) Pay the value of lost or damaged property;
  - (2) Pay the cost of repairing or replacing the lost or damaged property;
  - (3) Take all or any part of the property at an agreed or appraised value; or
  - (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to Paragraph **d.(1)(e)** below.
- b. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- c. We will not pay you more than your financial interest in the Covered Property.
- d. Except as provided in Paragraphs (2) through (7) below, we will determine the value of Covered Property as follows:
  - (1) At replacement cost without deduction for depreciation, subject to the following:
    - (a) If, at the time of loss, the Limit of Insurance on the lost or damaged property is 80% or more of the full replacement cost of the property immediately before the loss, we will pay the cost to repair or replace, after application of the deductible and without deduction for depreciation, but not more than the least of the following amounts:
      - (i) The Limit of Insurance under Section I – Property that applies to the lost or damaged property;

- (ii) The cost to replace, on the same premises, the lost or damaged property with other property:
  - i. Of comparable material and quality; and
  - ii. Used for the same purpose; or
- (iii) The amount that you actually spend that is necessary to repair or replace the lost or damaged property.

If a building is rebuilt at a new premises, the cost is limited to the cost which would have been incurred had the building been built at the original premises.

- (b) If, at the time of loss, the Limit of Insurance applicable to the lost or damaged property is less than 80% of the full replacement cost of the property immediately before the loss, we will pay the greater of the following amounts, but not more than the Limit of Insurance that applies to the property:

- (i) The actual cash value of the lost or damaged property; or
- (ii) A proportion of the cost to repair or replace the lost or damaged property, after application of the deductible and without deduction for depreciation. This proportion will equal the ratio of the applicable Limit of Insurance to 80% of the full replacement cost of the property.

**Example**

The full replacement cost of property which suffers a total loss is \$100,000. The property is insured for \$70,000. 80% of the full replacement cost of the property immediately before the loss is \$80,000 ( $\$100,000 \times .80 = \$80,000$ ). A partial loss of \$25,000 is sustained. The amount of recovery is determined as follows:

Amount of recovery  
 $\$70,000 \div \$80,000 = .875$   
 $.875 \times \$25,000 = \$21,875$

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

However, if the cost to repair or replace the damaged building property is \$2,500 or less, we will settle the loss according to the provisions of Paragraphs **d.(1)(a)** and **d.(1)(b)** above whether or not the actual repair or replacement is complete.

- (e) The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of or compliance with any ordinance or law regulating the construction, use or repair of any property.
- (2) If the Actual Cash Value – Buildings option applies, as shown in the Declarations, Paragraph (1) above does not apply to Buildings. Instead, we will determine the value of Buildings at actual cash value.
- (3) The following property at actual cash value:
  - (a) Used or secondhand merchandise held in storage or for sale;
  - (b) Property of others. However, if an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not to exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance;

- (c) Household contents, except personal property in apartments or rooms furnished by you as landlord;
  - (d) Manuscripts; and
  - (e) Works of art, antiques or rare articles, including etchings, pictures, statuary, marble, bronzes, porcelain and bric-a-brac.
- (4)** Glass at the cost of replacement with safety glazing material if required by law.
- (5)** Tenants' improvements and betterments at:
- (a) Replacement cost if you make repairs promptly.
  - (b) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:
    - (i) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
    - (ii) Divide the amount determined in (i) above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.
  - (c) Nothing if others pay for repairs or replacement.
- (6)** Applicable only to the Optional Coverages:
- (a) "Money" at its face value; and
  - (b) "Securities" at their value at the close of business on the day the loss is discovered.
- (7)** Applicable only to accounts receivable:
- (a) If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage:
    - (i) We will determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss or damage occurs; and
    - (ii) We will adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.
  - (b) The following will be deducted from the total amount of accounts receivable, however that amount is established:
    - (i) The amount of the accounts for which there is no loss or damage;
    - (ii) The amount of the accounts that you are able to reestablish or collect;
    - (iii) An amount to allow for probable bad debts that you are normally unable to collect; and
    - (iv) All unearned interest and service charges.
- e.** Our payment for loss of or damage to personal property of others will only be for the account of the owners of the property. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
- f.** We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- g.** We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, provided you have complied with all of the terms of this policy, and:
- (1)** We have reached agreement with you on the amount of loss; or
  - (2)** An appraisal award has been made.

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

**6. Recovered Property**

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

**7. Resumption Of Operations**

We will reduce the amount of your:

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

**8. Vacancy**

**a. Description Of Terms**

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

  - (a)** When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.
  - (b)** When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage is:

    - (i)** Rented to a lessee or sublessee and used by the lessee or sublessee to conduct its customary operations; and/or
    - (ii)** Used by the building owner to conduct customary operations.
- (2)** Buildings under construction or renovation are not considered vacant.

**b. Vacancy Provisions**

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

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

  - (a)** Vandalism;
  - (b)** Sprinkler leakage, unless you have protected the system against freezing;

- (c) Building glass breakage;
- (d) Water damage;
- (e) Theft; or
- (f) Attempted theft.

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

## F. Property General Conditions

### 1. Control Of Property

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

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

### 2. Mortgageholders

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

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

- e. If we pay the mortgageholder for any loss or damage and deny payment to you because of your acts or because you have failed to comply with the terms of this policy:

- (1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and
- (2) The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired.

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

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

### 3. No Benefit To Bailee

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

### 4. Policy Period, Coverage Territory

Under Section I – Property:

- a. We cover loss or damage commencing:
  - (1) During the policy period shown in the Declarations; and
  - (2) Within the coverage territory or, with respect to property in transit, while it is between points in the coverage territory.
- b. The coverage territory is:
  - (1) The United States of America (including its territories and possessions);
  - (2) Puerto Rico; and
  - (3) Canada.

## G. Optional Coverages

If shown as applicable in the Declarations, the following Optional Coverages also apply. These coverages are subject to the terms and conditions applicable to property coverage in this policy, except as provided below:

### 1. Outdoor Signs

- a. We will pay for direct physical loss of or damage to all outdoor signs at the described premises:
  - (1) Owned by you; or
  - (2) Owned by others but in your care, custody or control.
- b. Paragraph **A.3.**, Covered Causes Of Loss and Paragraph **B.**, Exclusions in Section **I – Property** do not apply to this Optional Coverage, except for:
  - (1) Paragraph **B.1.c.**, Governmental Action;
  - (2) Paragraph **B.1.d.**, Nuclear Hazard; and
  - (3) Paragraph **B.1.f.**, War And Military Action.
- c. We will not pay for loss or damage caused by or resulting from:
  - (1) Wear and tear;
  - (2) Hidden or latent defect;
  - (3) Rust;
  - (4) Corrosion; or
  - (5) Mechanical breakdown.
- d. The most we will pay for loss or damage in any one occurrence is the Limit Of Insurance for Outdoor Signs shown in the Declarations.
- e. The provisions of this Optional Coverage supersede all other references to outdoor signs in this policy.

### 2. Money And Securities

- a. We will pay for loss of "money" and "securities" used in your business while at a bank or savings institution, within your living quarters or the living quarters of your partners or any employee (including a temporary or leased employee) having use and custody of the property, at the described premises, or in transit between any of these places, resulting directly from:
  - (1) Theft, meaning any act of stealing;
  - (2) Disappearance; or
  - (3) Destruction.

- b. In addition to the Limitations and Exclusions applicable to Section **I – Property**, we will not pay for loss:
  - (1) Resulting from accounting or arithmetical errors or omissions;
  - (2) Due to the giving or surrendering of property in any exchange or purchase; or
  - (3) Of property contained in any "money"-operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.
- c. The most we will pay for loss in any one occurrence is:
  - (1) The limit shown in the Declarations for Inside the Premises for "money" and "securities" while:
    - (a) In or on the described premises; or
    - (b) Within a bank or savings institution; and
  - (2) The limit shown in the Declarations for Outside the Premises for "money" and "securities" while anywhere else.
- d. All loss:
  - (1) Caused by one or more persons; or
  - (2) Involving a single act or series of related acts;is considered one occurrence.
- e. You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.

### 3. Employee Dishonesty

- a. We will pay for direct loss of or damage to Business Personal Property and "money" and "securities" resulting from dishonest acts committed by any of your employees acting alone or in collusion with other persons (except you or your partner) with the manifest intent to:
  - (1) Cause you to sustain loss or damage; and also
  - (2) Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) for:
    - (a) Any employee; or
    - (b) Any other person or organization.

- b.** We will not pay for loss or damage:
- (1)** Resulting from any dishonest or criminal act that you or any of your partners or "members" commit whether acting alone or in collusion with other persons.
  - (2)** Resulting from any dishonest act committed by any of your employees (except as provided in Paragraph **a.**), "managers" or directors:
    - (a)** Whether acting alone or in collusion with other persons; or
    - (b)** While performing services for you or otherwise.
  - (3)** The only proof of which as to its existence or amount is:
    - (a)** An inventory computation; or
    - (b)** A profit and loss computation.
  - (4)** Caused by an employee if the employee had also committed theft or any other dishonest act prior to the effective date of this policy and you or any of your partners, "members", "managers", officers, directors or trustees, not in collusion with the employee, learned of that theft or dishonest act prior to the policy period shown in the Declarations.
- c.** The most we will pay for loss or damage in any one occurrence is the Limit Of Insurance for Employee Dishonesty shown in the Declarations.
- d.** All loss or damage:
- (1)** Caused by one or more persons; or
  - (2)** Involving a single act or series of acts; is considered one occurrence.
- e.** If any loss is covered:
- (1)** Partly by this insurance; and
  - (2)** Partly by any prior cancelled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest;
- the most we will pay is the larger of the amount recoverable under this insurance or the prior insurance.
- We will pay only for loss or damage you sustain through acts committed or events occurring during the policy period. Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.
- f.** This Optional Coverage is cancelled as to any employee immediately upon discovery by:
- (1)** You; or
  - (2)** Any of your partners, "members", "managers", officers or directors not in collusion with the employee;
- of any dishonest act committed by that employee before or after being hired by you.
- g.** We will pay only for covered loss or damage sustained during the policy period and discovered no later than one year from the end of the policy period.
- h.** If you (or any predecessor in interest) sustained loss or damage during the policy period of any prior insurance that you could have recovered under that insurance except that the time within which to discover loss or damage had expired, we will pay for it under this Optional Coverage, provided:
- (1)** This Optional Coverage became effective at the time of cancellation or termination of the prior insurance; and
  - (2)** The loss or damage would have been covered by this Optional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.
- i.** The insurance under Paragraph **h.** above is part of, not in addition to, the Limit of Insurance applying to this Optional Coverage and is limited to the lesser of the amount recoverable under:
- (1)** This Optional Coverage as of its effective date; or
  - (2)** The prior insurance had it remained in effect.
- j.** With respect to the Employee Dishonesty Optional Coverage in Paragraph **G.3.**, employee means:
- (1)** Any natural person:
    - (a)** While in your service or for 30 days after termination of service;
    - (b)** Who you compensate directly by salary, wages or commissions; and
    - (c)** Who you have the right to direct and control while performing services for you;



- (2) Any natural person who is furnished temporarily to you:
  - (a) To substitute for a permanent employee, as defined in Paragraph (1) above, who is on leave; or
  - (b) To meet seasonal or short-term workload conditions;
- (3) Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in Paragraph (2) above;
- (4) Any natural person who is a former employee, director, partner, member, manager, representative or trustee retained as a consultant while performing services for you; or
- (5) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside any building you occupy in conducting your business.

But employee does not mean:

- (1) Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or
- (2) Any "manager", director or trustee except while performing acts coming within the usual duties of an employee.

#### 4. Equipment Breakdown Protection Coverage

- a. We will pay for direct loss of or damage to Covered Property caused by or resulting from a mechanical breakdown or electrical failure to pressure, mechanical or electrical machinery and equipment.

Mechanical breakdown or electrical failure to pressure, mechanical or electrical machinery and equipment does not mean any:

- (1) Malfunction including but not limited to adjustment, alignment, calibration, cleaning or modification;
- (2) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
- (3) Damage to any vacuum tube, gas tube, or brush; or
- (4) The functioning of any safety or protective device.

- b. Paragraphs **A.4.a.(1)** and **A.4.a.(2)**, Limitations, do not apply to this Optional Coverage.
- c. With respect to the coverage provided by this Optional Coverage, the following exclusions in Paragraph **B. Exclusions** do not apply:
  - (1) Paragraph **B.2.a.**, Electrical Apparatus;
  - (2) Paragraph **B.2.d.**, Steam Apparatus; and
  - (3) Paragraph **B.2.i.(6)**, Mechanical Breakdown.
- d. With respect to the coverage provided by this Optional Coverage, Paragraph **G.1.c.(5)** of the **Outdoor Signs Optional Coverage** does not apply.
- e. If a dollar deductible is shown in the Declarations for this Optional Coverage, we will first subtract the applicable deductible amount from any loss we would otherwise pay. We will then pay the amount of loss in excess of the applicable deductible up to the applicable limit for this coverage.

If no optional deductible is chosen for this Optional Coverage, the Property Deductible shown in the Declarations applies.

- f. With respect to Additional Coverages **5.f.** Business Income and **5.g.** Extra Expense, if the 72-hour time period in the definition of "period of restoration" (hereinafter referred to as time deductible) is amended for this Optional Coverage as shown in the Declarations, we will not pay for any Business Income loss that occurs during the consecutive number of hours shown as the time deductible in the Declarations immediately following a mechanical breakdown or electrical failure. If a time deductible is shown in days, each day shall mean 24 consecutive hours.

With respect to the coverage provided by this Optional Coverage, any time deductible shown in the Declarations for Equipment Breakdown Protection Coverage supersedes any time deductible otherwise applicable to the Business Income coverage provided by this policy.

- g. With respect to the coverage provided by this Optional Coverage, Paragraph **H. Property Definitions** is amended as follows:
  - 1. "Computer" means:
    - a. Programmable electronic equipment that is used to store, retrieve and process data; and

- b. Associated peripheral equipment that provides communication, including input and output functions such as printing and auxiliary functions such as data transmission.

"Computer" includes those used to operate production-type machinery or equipment.

- h. Whenever any covered pressure, mechanical or electrical machinery and equipment is found to be in, or exposed to, a dangerous condition, any of our representatives may suspend coverage provided by this Optional Coverage for loss from a mechanical breakdown or electrical failure to that pressure, mechanical or electrical machinery and equipment.

However, coverage provided by this Optional Coverage may be reinstated for loss from a mechanical breakdown or electrical failure to that pressure, mechanical or electrical machinery and equipment if the reasons for the suspension are found by any of our representatives to no longer exist.

We may suspend or reinstate this Optional coverage by mailing or delivering a written notification regarding the suspension or reinstatement to:

- (1) Your last known address; or
- (2) The address where the pressure, mechanical or electrical machinery and equipment is located.

This notification will indicate the effective date of the suspension or reinstatement.

If the coverage provided by this Optional Coverage is not reinstated, you will get a pro rata refund of premium. But the suspension will be effective even if we have not yet made or offered a refund.

## H. Property Definitions

### 1. "Computer" means:

- a. Programmable electronic equipment that is used to store, retrieve and process data; and
- b. Associated peripheral equipment that provides communication, including input and output functions such as printing and auxiliary functions such as data transmission.

"Computer" does not include those used to operate production-type machinery or equipment.

- 2. "Counterfeit money" means an imitation of "money" that is intended to deceive and to be taken as genuine.
- 3. "Electronic data" means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a "computer" or device connected to it, which enable the "computer" or device to receive, process, store, retrieve or send data.
- 4. "Fungi" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.
- 5. "Manager" means a person serving in a directorial capacity for a limited liability company.
- 6. "Member" means an owner of a limited liability company represented by its membership interest, who also may serve as a "manager".
- 7. "Money" means:
  - a. Currency, coins and bank notes in current use and having a face value; and
  - b. Traveler's checks, register checks and money orders held for sale to the public.
- 8. "Operations" means your business activities occurring at the described premises.
- 9. "Period of restoration":
  - a. Means the period of time that:
    - (1) Begins:
      - (a) 72 hours after the time of direct physical loss or damage for Business Income Coverage; or
      - (b) Immediately after the time of direct physical loss or damage for Extra Expense Coverage;

caused by or resulting from any Covered Cause of Loss at the described premises; and

(2) Ends on the earlier of:

(a) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or

(b) The date when business is resumed at a new permanent location.

b. Does not include any increased period required due to the enforcement of or compliance with any ordinance or law that:

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

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

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

10. "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.

11. "Securities" means negotiable and nonnegotiable instruments or contracts representing either "money" or other property and includes:

a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and

b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include "money".

12. "Specified causes of loss" means the following:

Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.

a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:

(1) The cost of filling sinkholes; or

(2) Sinking or collapse of land into man-made underground cavities.

b. Falling objects does not include loss of or damage to:

(1) Personal property in the open; or

(2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.

c. Water damage means:

(1) Accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) containing water or steam; and

(2) Accidental discharge or leakage of water or waterborne material as the direct result of the breaking apart or cracking of a water or sewer pipe that is located off the described premises and is part of a municipal potable water supply system or municipal sanitary sewer system, if the breakage or cracking is caused by wear and tear.

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

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

13. "Stock" means merchandise held in storage or for sale, raw materials and in-process or finished goods, including supplies used in their packing or shipping.

14. "Valuable papers and records" means inscribed, printed or written:

- a. Documents;
- b. Manuscripts; and
- c. Records;

including abstracts, books, deeds, drawings, films, maps or mortgages.

But "valuable papers and records" does not mean "money" or "securities".

## SECTION II – LIABILITY

### A. Coverages

#### 1. Business Liability

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury", "property damage" or "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 "bodily injury", "property damage" or "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" or 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 Paragraph D. Liability And Medical Expenses Limits Of Insurance in Section II – Liability; 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 or medical expenses.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Paragraph f. Coverage Extension – Supplementary Payments.

b. This insurance applies:

- (1) To "bodily injury" and "property damage" only if:
  - (a) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
  - (b) The "bodily injury" or "property damage" occurs during the policy period; and

(c) Prior to the policy period, no insured listed under Paragraph C.1. 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 before the policy period.

- (2) 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.
- 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 C.1. 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 "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 C.1. 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".

**f. Coverage Extension – Supplementary Payments**

- (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 Business Liability Coverage for "bodily injury" applies. We do not have to furnish these bonds.
  - (c) The cost of bonds to release attachments, but only for bond amounts within our 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 Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer.
  - (g) All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within our Limit of Insurance.

These payments will not reduce the limit of liability.

- (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:
    - (i) Agrees in writing to:
      - i. Cooperate with us in the investigation, settlement or defense of the "suit";
      - ii. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
      - iii. Notify any other insurer whose coverage is available to the indemnitee; and

- iv. Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
- (ii) Provides us with written authorization to:
  - i. Obtain records and other information related to the "suit"; and
  - ii. Conduct and control the defense of the indemnitee in such "suit".
- (3) So long as the conditions in Paragraph (2) 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 B.1.b.(2) Exclusions in Section II – 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:

- (a) We have used up the applicable Limit of Insurance in the payment of judgments or settlements; or
- (b) The conditions set forth above, or the terms of the agreement described in Paragraph (2)(f) above, are no longer met.

## 2. Medical Expenses

- 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 Limits of Insurance of Section II – Liability. 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.

## B. Exclusions

### 1. Applicable To Business Liability Coverage

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 attorney 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 allege negligence or other wrongdoing in:

- (a) The supervision, hiring, employment, training or monitoring of others by an insured; or
- (b) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol;

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

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

**d. Workers' Compensation And Similar Laws**

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

**e. Employer's Liability**

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
  - (a) Employment by the insured; or

- (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

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

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

**f. Pollution**

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

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

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

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

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

- (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
- (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
  - (i) Any insured; or
  - (ii) Any person or organization for whom you may be legally responsible;
- (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"; or
- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- (2) Any loss, cost or expense arising out of any:
  - (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
  - (b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

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

**g. Aircraft, Auto Or Watercraft**

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



This exclusion applies even if the claims allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by an 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 51 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 or motor vehicle registration law where it is licensed or principally garaged; or
  - (b) The operation of any of the following machinery or equipment:
    - (i) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
    - (ii) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing 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", "property damage" or "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 government authority in hindering or defending against any of these.

#### **j. Professional Services**

"Bodily injury", "property damage" or "personal and advertising injury" caused by the rendering or failure to render any professional service. This includes but is not limited to:

- (1) Legal, accounting or advertising services;
- (2) Preparing, approving, or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications;
- (3) Supervisory, inspection or engineering services;
- (4) Medical, surgical, dental, X-ray or nursing services treatment, advice or instruction;
- (5) Any health or therapeutic service treatment, advice or instruction;
- (6) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming;

- (7) Optometry or optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;
- (8) Body piercing services; and
- (9) Services in the practice of pharmacy.

This exclusion applies even if the claims allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by an insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved the rendering or failure to render of any professional service.

**k. Damage To Property**

"Property damage" to:

- (1) Property you own, rent or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractor or subcontractor working directly or indirectly on your behalf is 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 Paragraph D. Liability And Medical Expenses Limits Of Insurance in Section II – Liability.

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".

**i. Damage To Your Product**

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

**m. 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.

**n. 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.

**o. 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.

**p. Personal And Advertising Injury**

"Personal and advertising injury":

- (1) 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";
- (2) 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;
- (3) Arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the policy period;
- (4) 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;
- (5) Arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement";
- (6) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement";
- (7) Arising out of the wrong description of the price of goods, products or services stated in your "advertisement";
- (8) Committed by an insured whose business is:
  - (a) Advertising, broadcasting, publishing or telecasting;
  - (b) Designing or determining content of web sites for others; or
  - (c) 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 Paragraph **F. Liability And Medical Expenses Definitions.**

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

- (9) Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time;
- (10) With respect to any loss, cost or expense arising out of any:
  - (a) 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, "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";
- (11) Arising out of an electronic chatroom or bulletin board the insured hosts, owns or over which the insured exercises control;
- (12) 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;
- (13) Arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatags, or any other similar tactics to mislead another's potential customers.

**q. 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 computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data.

**r. Criminal Acts**

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

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

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

Exclusions **c., d., e., f., g., h., i., k., l., m., n.** and **o.** in Section II – Liability 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 Damage To Premises Rented To You Limit of Insurance applies to this coverage as described in Paragraph **D.** Liability And Medical Expenses Limits of Insurance in Section II – Liability.

**2. Applicable To Medical Expenses Coverage**

We will not pay expenses for "bodily injury":

- a. To any insured, except "volunteer workers".
- b. To a person hired to do work for or on behalf of any insured or a tenant of any insured.
- c. To a person injured on that part of premises you own or rent that the person normally occupies.
- d. 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. To a person injured while practicing, instructing or participating in any physical exercises or games, sports or athletic contests.
- f. Included within the "products-completed operations hazard".
- g. Excluded under Business Liability Coverage.

**3. Applicable To Both Business Liability Coverage And Medical Expenses Coverage – Nuclear Energy Liability Exclusion**

This insurance does not apply:

- a. Under Business 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 the Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, 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 Medical Expenses 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 Business Liability Coverage, to "bodily injury" or "property damage" resulting from the "hazardous properties" of the "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.
- d. As used in this exclusion:
- (1) "By-product material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;
- (2) "Hazardous properties" include radioactive, toxic or explosive properties;
- (3) "Nuclear facility" means:
- (a) Any "nuclear reactor";
  - (b) Any equipment or device designed or used for:
    - (i) Separating the isotopes of uranium or plutonium;
    - (ii) Processing or utilizing "spent fuel"; or
    - (iii) 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;
- (4) "Nuclear material" means "source material", "special nuclear material" or "by-product material";
  - (5) "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;
  - (6) "Property damage" includes all forms of radioactive contamination of property;
  - (7) "Source material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;
  - (8) "Special nuclear material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;
  - (9) "Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor";

**(10)** "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 Paragraphs **(a)** and **(b)** of the definition of "nuclear facility".

### **C. Who Is An Insured**

1. If you are designated in the Declarations as:

- a.** An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b.** A partnership or joint venture, you are an insured. Your members, your partners and their spouses are also insureds, but only with respect to the conduct of your business.
- c.** A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
- d.** An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
- e.** A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:

- a.** Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:

**(1)** "Bodily injury" or "personal and advertising injury":

- (a)** To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or 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" as a consequence of Paragraph **(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 **(a)** or **(b)**; 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 policy.

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.

#### **D. Liability And Medical Expenses Limits Of Insurance**

- 1. The Limits of Insurance of Section II – Liability 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 most we will pay for the sum of all damages because of all:
  - a. "Bodily injury", "property damage" and medical expenses arising out of any one "occurrence"; and
  - b. "Personal and advertising injury" sustained by any one person or organization;

is the Liability and Medical Expenses limit shown in the Declarations. But the most we will pay for all medical expenses because of "bodily injury" sustained by any one person is the Medical Expenses limit shown in the Declarations.

- 3. The most we will pay under Business Liability Coverage for damages because of "property damage" to a premises while rented to you or in the case of fire while rented to you or temporarily occupied by you with permission of the owner is the applicable Damage To Premises Rented To You limit shown for that premises in the Declarations. For a premises temporarily occupied by you, the applicable limit will be the highest Damage To Premises Rented To You limit shown in the Declarations.

#### **4. Aggregate Limits**

The most we will pay for:

- a. All "bodily injury" and "property damage" that is included in the "products-completed operations hazard" is twice the Liability and Medical Expenses limit.
- b. All:
  - (1) "Bodily injury" and "property damage" except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard";
  - (2) Plus medical expenses;
  - (3) Plus all "personal and advertising injury" caused by offenses committed;is twice the Liability and Medical Expenses limit.

Subject to Paragraph a. or b. above, whichever applies, the Damage To Premises Rented To You limit is the most we will pay for damages because of "property damage" to any one premises, while rented to you, or in the case of fire, while rented to you or temporarily occupied by you with permission of the owner.

The Limits of Insurance of Section II – Liability 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.

#### **E. Liability And Medical Expenses General Conditions**

##### **1. Bankruptcy**

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

## 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 that 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 policy:

- 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 policy 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 policy 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. Separation Of Insureds

Except with respect to the Limits of Insurance of Section II – Liability, and any rights or duties specifically assigned in this policy 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.

## F. Liability And Medical Expenses 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 or motor vehicle registration 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:

- (1) The repair, replacement, adjustment or removal of "your product" or "your work"; or
- (2) Your fulfilling the terms of the contract or agreement.

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

- b. A sidetrack agreement;
- c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

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

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, 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, drawings, opinions, reports, surveys, change orders, designs or 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 Paragraph **(2)** above and supervisory, inspection or engineering services.

- 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, on which are permanently mounted:
  - (1) Power cranes, shovels, loaders, diggers or drills; or
  - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in Paragraph a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
  - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
  - (2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in Paragraph a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

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

- (1) Equipment designed primarily for:
  - (a) Snow removal;
  - (b) Road maintenance, but not construction or resurfacing; or
  - (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

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

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 the job site has been put to its intended use by any other 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.

The "bodily injury" or "property damage" must occur away from premises you own or rent, unless your business includes the selling, handling or distribution of "your product" for consumption on premises you own or rent.

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

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

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

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

**SECTION III – COMMON POLICY CONDITIONS  
(APPLICABLE TO SECTION I – PROPERTY AND  
SECTION II – LIABILITY)**

**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. Five days before the effective date of cancellation if any one of the following conditions exists at any building that is Covered Property in this policy:

(1) The building has been vacant or unoccupied 60 or more consecutive days. This does not apply to:

(a) Seasonal unoccupancy; or

(b) Buildings in the course of construction, renovation or addition.

Buildings with 65% or more of the rental units or floor area vacant or unoccupied are considered unoccupied under this provision.

(2) After damage by a Covered Cause of Loss, permanent repairs to the building:

(a) Have not started; and

(b) Have not been contracted for; within 30 days of initial payment of loss.

(3) The building has:

(a) An outstanding order to vacate;

(b) An outstanding demolition order; or

(c) Been declared unsafe by governmental authority.

(4) Fixed and salvageable items have been or are being removed from the building and are not being replaced. This does not apply to such removal that is necessary or incidental to any renovation or remodeling.

(5) Failure to:

(a) Furnish necessary heat, water, sewer service or electricity for 30 consecutive days or more, except during a period of seasonal unoccupancy; or

(b) Pay property taxes that are owing and have been outstanding for more than one year following the date due, except that this provision will not apply where you are in a bona fide dispute with the taxing authority regarding payment of such taxes.

b. 10 days before the effective date of cancellation if we cancel for nonpayment of premium.

c. 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. Concealment, Misrepresentation Or Fraud**

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

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

#### **D. 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.

#### **E. 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 and 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.

#### **F. Insurance Under Two Or More Coverages**

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

#### **G. Liberalization**

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

#### **H. Other Insurance**

1. If there is other insurance covering the same loss or damage, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance of Section I – Property.
2. Business Liability Coverage is excess over:
  - a. Any other insurance that insures for direct physical loss or damage; or
  - b. Any other primary insurance available to you covering liability for damages arising out of the premises or operations for which you have been added as an additional insured.
3. When this insurance is excess, we will have no duty under Business Liability Coverage to defend any claim or "suit" 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.

#### **I. Premiums**

1. The first Named Insured shown in the Declarations:
  - a. Is responsible for the payment of all premiums; and
  - b. Will be the payee for any return premiums we pay.
2. The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.

3. With our consent, you may continue this policy in force by paying a continuation premium for each successive one-year period. The premium must be:

- a. Paid to us prior to the anniversary date; and
- b. Determined in accordance with Paragraph 2. above.

Our forms then in effect will apply. If you do not pay the continuation premium, this policy will expire on the first anniversary date that we have not received the premium.

4. Undeclared exposures or change in your business operation, acquisition or use of locations may occur during the policy period that are not shown in the Declarations. If so, we may require an additional premium. That premium will be determined in accordance with our rates and rules then in effect.

#### **J. Premium Audit**

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

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

1. Applicable to Businessowners Property Coverage:

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

- a. Prior to a loss to your Covered Property.

b. After a loss to your Covered Property only if, at time of loss, that party is one of the following:

- (1) Someone insured by this insurance;
- (2) A business firm:
  - (a) Owned or controlled by you; or
  - (b) That owns or controls you; or
- (3) Your tenant.

You may also accept the usual bills of lading or shipping receipts limiting the liability of carriers.

This will not restrict your insurance.

2. Applicable to Businessowners Liability Coverage:

If the insured has rights to recover all or part of any payment we have made under this policy, 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. This condition does not apply to Medical Expenses Coverage.

#### **L. Transfer Of Your Rights And Duties Under This Policy**

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

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

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**  
**ADDITIONAL INSURED – MANAGERS OR LESSORS  
OF PREMISES**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

**SCHEDULE**

<b>Designation Of Premises (Part Leased To You):</b> ADDRESS LISTED AS INSURED LOCATION ON THIS POLICY
<b>Name Of Person(s) Or Organization(s) (Additional Insured):</b> Community Association Management
<b>Additional Premium: \$ 17</b>
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**Section II – Liability** is amended as follows:

**A.** The following is added to Paragraph **C. Who Is An Insured:**

**3.** The person(s) or organization(s) shown in the Schedule is also an additional insured, but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you and shown in the Schedule.

However:

- a.** The insurance afforded to such additional insured only applies to the extent permitted by law; and
- b.** If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B.** With respect to the insurance afforded to these additional insureds the following additional exclusions apply:

This insurance does not apply to:

- 1.** Any "occurrence" that takes place after you cease to be a tenant in the premises described in the Schedule.

**2.** Structural alterations, new construction or demolition operations performed by or for the person(s) or organization(s) designated in the Schedule.

**C.** With respect to the insurance afforded to these additional insureds, the following is added to Paragraph **D. Liability And Medical Expenses Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

- 1.** Required by the contract or agreement; or
  - 2.** Available under the applicable Limits Of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits Of Insurance shown in the Declarations.

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

## **HIRED AUTO AND NON-OWNED AUTO LIABILITY**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

### **SCHEDULE**

Coverage	Additional Premium
<b>A. Hired Auto Liability</b>	\$ 34
<b>B. Non-owned Auto Liability</b>	\$ 61
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A.** Insurance is provided only for those coverages for which a specific premium charge is shown in the Declarations or in the Schedule.

**1. Hired Auto Liability**

The insurance provided under Paragraph **A.1. Business Liability** in **Section II – Liability** applies to "bodily injury" or "property damage" arising out of the maintenance or use of a "hired auto" by you or your "employees" in the course of your business.

**2. Non-owned Auto Liability**

The insurance provided under Paragraph **A.1. Business Liability** in **Section II – Liability** applies to "bodily injury" or "property damage" arising out of the use of any "non-owned auto" in your business by any person.

**B.** For insurance provided by this endorsement only:

**1.** The exclusions under Paragraph **B.1. Applicable To Business Liability Coverage** in **Section II – Liability**, other than Exclusions **a., b., d., f.** and **i.** and the **Nuclear Energy Liability Exclusion**, are deleted and replaced by the following:

**a.** "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:

**(1)** Whether the insured may be liable as an employer or in any other capacity; and

**(2)** To any obligation to share damages with or repay someone else who must pay damages because of injury.

This exclusion does not apply to:

**(1)** Liability assumed by the insured under an "insured contract"; or

**(2)** "Bodily injury" arising out of and in the course of domestic employment by the insured unless benefits for such injury are in whole or in part either payable or required to be provided under any workers' compensation law.

**b.** "Property damage" to:

**(1)** Property owned or being transported by, or rented or loaned to the insured; or

**(2)** Property in the care, custody or control of the insured.



**2. Paragraph C. Who Is An Insured in Section II – Liability** is replaced by the following:

1. Each of the following is an insured under this endorsement to the extent set forth below:
  - a. You;
  - b. Any other person using a "hired auto" with your permission;
  - c. For a "non-owned auto":
    - (1) Any partner or "executive officer" of yours; or
    - (2) Any "employee" of yours; but only while such "non-owned auto" is being used in your business; and
  - d. Any other person or organization, but only for their liability because of acts or omissions of an insured under **a.**, **b.** or **c.** above.
2. None of the following is an insured:
  - a. Any person engaged in the business of his or her employer for "bodily injury" to any co-"employee" of such person injured in the course of employment, or to the spouse, child, parent, brother or sister of that co-"employee" as a consequence of such "bodily injury", or for any obligation to share damages with or repay someone else who must pay damages because of the injury;
  - b. Any partner or "executive officer" for any "auto" owned by such partner or officer or a member of his or her household;

- c. Any person while employed in or otherwise engaged in duties in connection with an "auto business", other than an "auto business" you operate;
- d. The owner or lessee (of whom you are a sublessee) of a "hired auto" or the owner of a "non-owned auto" or any agent or "employee" of any such owner or lessee; or
- e. Any person or organization for the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations.

**C. For the purposes of this endorsement only, Paragraph H. Other Insurance in Section III – Common Policy Conditions** is replaced by the following:

This insurance is excess over any primary insurance covering the "hired auto" or "non-owned auto".

**D. The following additional definitions apply:**

1. "Auto business" means the business or occupation of selling, repairing, servicing, storing or parking "autos".
2. "Hired auto" means any "auto" you lease, hire, rent or borrow. This does not include any "auto" you lease, hire, rent or borrow from any of your "employees", your partners or your "executive officers" or members of their households.
3. "Non-owned auto" means any "auto" you do not own, lease, hire, rent or borrow which is used in connection with your business. This includes "autos" owned by your "employees", your partners or your "executive officers", or members of their households, but only while used in your business or your personal affairs.

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

## **EMPLOYMENT-RELATED PRACTICES EXCLUSION**

This endorsement modifies insurance provided under the following:

### **BUSINESSOWNERS COVERAGE FORM**

The following exclusion is added to Paragraph **B.1. Exclusions – Applicable To Business Liability Coverage** in **Section II – Liability**:

This insurance does not apply to "bodily injury" or "personal and advertising injury" to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or

- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" or "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraph (a), (b) or (c) above is directed.

This exclusion applies:

- (1) Whether the injury-causing event described in Paragraph (a), (b) or (c) above occurs before employment, during employment or after employment of that person;
- (2) Whether the insured may be liable as an employer or in any other capacity; and
- (3) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.  
**EQUIPMENT BREAKDOWN PROTECTION COVERAGE**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

A. Premises: Primary Location - Building #1
B. Equipment Breakdown Protection Sub-limit: Refer to Property limit shown on Declarations page for covered locations
C. Deductible(s): 1. Equipment Breakdown Protection Deductible: \$500 (if different than the Section I - Property Deductible)  2. Business Income Time Deductible: 72 Hours
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

Section I - Property is amended as follows:

A. We will pay for direct loss of or damage to Covered Property at the premises described in the Schedule caused by or resulting from a mechanical breakdown or electrical failure to pressure, mechanical or electrical machinery and equipment.

Mechanical breakdown or electrical failure to pressure, mechanical or electrical machinery and equipment does not mean any:

1. Malfunction including but not limited to adjustment, alignment, calibration, cleaning or modification;
2. Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
3. Damage to any vacuum tube, gas tube, or brush; or
4. The functioning of any safety or protective device.

B. With respect to the coverage provided by this endorsement, the following exclusions in Paragraph B. Exclusions do not apply:

1. Paragraph B.2.a. Electrical Apparatus;
2. Paragraph B.2.l.(6) Mechanical Breakdown; and
3. Paragraph B.2.d. Steam Apparatus.

C. With respect to the coverage provided by this endorsement, Paragraph G.1.c.(5) of the Outdoor Sign Optional Coverage does not apply.

D. The following limitations in Paragraph A.4. Limitations do not apply:

1. Paragraph A.4.a.(1) relating to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment;
2. Paragraph A.4.a.(2) relating to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.

E. We will not pay for loss or damage (hereinafter referred to as loss) in any one occurrence until the amount of loss exceeds the Equipment Breakdown Protection Coverage deductible shown in the Schedule for any loss to Covered Property caused by mechanical breakdown or electrical failure.

1. With respect to the dollar deductible shown in the Schedule, we will first subtract the deductible amount from any loss we would otherwise pay. We will then pay the amount of loss in excess of the deductible up to the sub-limit shown in the Schedule.
2. If a time deductible is shown in the schedule, we will not pay for any Business Income loss that occurs during that specified time period immediately following a mechanical breakdown or electrical failure. If a time deductible is shown in days, each day shall mean twenty-four consecutive hours.
3. If two or more deductibles apply to a loss involving both a cause of loss covered in this endorsement and another cause of loss covered in this policy for a single occurrence, then the total amount to be deducted will be only the largest of the applicable deductibles.

F. With respect to the coverage provided by this endorsement, Paragraph H. Property Definitions is amended as follows:

1. "Computer" means:
  - a. Programmable electronic equipment that is used to store, retrieve and process data; and
  - b. Associated peripheral equipment that provides communication, including input and output functions such as printing and auxiliary functions such as data transmission.

"Computer" includes those used to operate production type machinery or equipment.

G. With respect to Additional Coverages 5.f. Business Income and 5.g. Extra Expense, if the 72-hour time period in the definition of "period of restoration" (hereinafter referred to as waiting period) is amended for Equipment Breakdown Protection Coverage as shown in the Schedule, we will not pay for any Business Income loss that occurs during the consecutive number of hours shown as the waiting period in the Schedule immediately following a mechanical breakdown or electrical failure.

As respects the coverage provided by this endorsement, any waiting period shown in the Schedule for Equipment Breakdown Protection Coverage supersedes any waiting period otherwise applicable to the Business Income coverage provided by the Businessowners Coverage form.

H. The provisions of this coverage shall not increase any amount or Limit of Insurance that is otherwise provided in this policy. The most we will pay for any loss or damage for Equipment Breakdown Protection is the amount of the sub-limit shown in the Schedule of this Endorsement.

I. Whenever any covered pressure, mechanical or electrical machinery and equipment is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss from a mechanical breakdown or electrical failure to that pressure, mechanical or electrical machinery and equipment. This can be done by delivering or mailing a written notice of suspension to:

1. Your last known address; or
2. The address where the pressure, mechanical or electrical machinery and equipment is located.

If we suspend your insurance, you will get a pro rata refund of premium. But the suspension will be effective even if we have not yet made or offered a refund.

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

## **CALCULATION OF PREMIUM**

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS COVERAGE FORM**

The following is added:

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

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

## **EXCLUSION – SILICA OR SILICA-RELATED DUST**

This endorsement modifies insurance provided under the following:

### **BUSINESSOWNERS COVERAGE FORM**

**A.** The following exclusion is added to Paragraph **B. Exclusions** in **Section II – Liability**:

**B. Exclusions**

This insurance does not apply to:

**SILICA OR SILICA-RELATED DUST**

1. "Bodily injury" arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, or ingestion of, "silica" or "silica-related dust".
2. "Property damage" arising, in whole or in part, out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, or presence of, "silica" or "silica-related dust".
3. "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".

4. 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 definitions are added to Paragraph **F. Liability And Medical Expenses Definitions** in **Section II – Liability**:

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

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

## **CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the following:

### **BUSINESSOWNERS COVERAGE FORM**

- A.** The following provisions are added to the Businessowners Policy and apply to Property and Liability Coverages:

#### **CAP ON CERTIFIED TERRORISM LOSSES**

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

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

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

- B.** The following provision is added to Businessowners Standard Property Coverage Form **BP 00 01**, Businessowners Special Property Coverage Form **BP 00 02** or **Section I – Property** of Businessowners Coverage Form **BP 00 03**:

#### **APPLICATION OF OTHER EXCLUSIONS**

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

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

## **BUSINESS INCOME, EXTRA EXPENSE AND RELATED COVERAGES LIMIT OF INSURANCE**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

### **SCHEDULE**

<b>Premises Number</b>	<b>Business Income, Extra Expense And Related Coverages Limit Of Insurance</b>
All	\$ 250,000
	\$
	\$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

With respect to the premises shown in the Schedule, the following provisions apply to **Section I – Property** and supersede any provisions to the contrary:

**A.** The most we will pay under:

1. Paragraph **A.5.f.** Business Income Additional Coverage;
2. Paragraph **A.5.g.** Extra Expense Additional Coverage;
3. Paragraph **A.5.i.** Civil Authority Additional Coverage;
4. Paragraph **A.5.m.** Business Income From Dependent Properties Additional Coverage; and
5. Paragraph **A.5.q.** Interruption Of Computer Operations Additional Coverage;

for all loss sustained and expense incurred is the applicable Business Income, Extra Expense and Related Coverages Limit of Insurance shown in the Schedule of this endorsement. This Limit of Insurance is the only limit that applies to the Additional Coverages listed above. The Limit of Insurance of **Section I – Property** shown in the Declarations does not apply to these Additional Coverages.

**B.** Paragraph **A.5.f.(1)(b)** is replaced by the following:

- (b) We will only pay for ordinary payroll expenses for 60 days following the date of direct physical loss or damage, unless a greater number of days is shown in the Declarations.

**C.** Paragraph **A.5.g.(4)** does not apply.

**D.** However, Paragraphs **A.**, **B.** and **C.** do not apply to coverage provided by any of the following endorsements:

1. Water Back-up And Sump Overflow Endorsement **BP 04 53** (if that endorsement is attached to this Businessowners Policy);
2. Earthquake Endorsement **BP 10 03** (if that endorsement is attached to this Businessowners Policy);
3. Earthquake And Volcanic Eruption (Sub-limit) Endorsement **BP 10 11** (if that endorsement is attached to this Businessowners Policy); or
4. Flood Coverage Endorsement **BP 10 79** (if that endorsement is attached to this Businessowners Policy).



## **ASBESTOS MATERIAL EXCLUSION**

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

**This endorsement modifies insurance provided under the following:**

### **BUSINESSOWNERS COVERAGE FORM**

The following supersedes the terms and conditions of this policy. This policy does not provide coverage for the following:

- 1) demolition or increased cost of reconstruction, repair, debris removal or loss of use necessitated by the enforcement of any law or ordinance regulating asbestos material.
- 2) any government direction or request declaring that asbestos material present in or part of or utilized on any undamaged portion of the insured's property can no longer be used for the purpose for which it was intended or installed and must be removed or modified.

All other terms and conditions of this policy remain unchanged. This endorsement is a part of your policy and takes effect on the effective date of your policy unless another effective date is shown.

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Authorized Representative

**POLLUTION, ORGANIC PATHOGEN, SILICA, ASBESTOS AND LEAD EXCLUSION  
WITH HOSTILE FIRE AND HUMAN FOOD PRODUCT EXCEPTIONS**

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

**This endorsement modifies insurance provided under the following:**

**BUSINESSOWNERS COVERAGE FORM**

**SECTION II – LIABILITY** of the policy is amended as follows:

Exclusion **f. Pollution** is deleted and replaced by the following:

**Pollution, Organic Pathogen, Silica, Asbestos and Lead**

- (1) "Bodily injury" or "property damage"; or
- (2) Diminishing or lessening in value of property or for damages from the taking, use or acquisition or interference with the rights of others in property or air space; or
- (3) Loss, cost or expense, including but not limited to payment for investigation or defense, fines and penalties, arising out of any governmental or any private party action, that an insured or any other party test for, monitor, clean up, remove, contain, mitigate, treat, detoxify or neutralize or in any way respond to or assess the actual or alleged effects of "pollutants", "organic pathogens", "silica", asbestos, or lead;

arising directly, indirectly, in concurrence with or in any sequence out of the actual, alleged or threatened presence of or exposure to, ingestion, inhalation, absorption, contact with discharge, dispersal, seepage, release or escape of "pollutants", "organic pathogens", "silica", asbestos, or lead, whether or not any of the foregoing are (1) sudden, accidental or gradual in nature; (2) intentional; or (3) expected or intended from the standpoint of the insured.

This exclusion applies even if the "pollutant", "organic pathogen", "silica", asbestos, or lead has a function in, or is used by you in your business, operations, premises, site or location.

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

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

This exclusion does not apply to "bodily injury" or "property damage" arising from the consumption of food products intended for human consumption.

"Pollutants" mean[s] any solid, liquid, gaseous, bacterial, fungal, electromagnetic, thermal or other substance that can be toxic or hazardous, cause irritation to animals or persons and/or cause contamination to property and the environment including smoke, vapor, soot, fumes, acids, alkalis, chemicals, toxic materials, "volatile

organic compound” and gases therefrom, radon, combustion byproducts and waste. Specific examples identified as pollutants include, but are not limited to, diesel, kerosene, and other fuel oils; carbon monoxide and other exhaust gases; mineral spirits and other solvents; tetrachloroethylene, perchloroethylene (PERC), trichloroethylene (TCE), methylene chloroform, and other dry cleaning chemicals; chlorofluorocarbons, chlorinated hydrocarbons, adhesives, pesticides, insecticides, and all substances specifically listed, identified, or described by one or more of the following references: **Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) Priority List Hazardous Substances** (1997 and all subsequent editions), **Agency for Toxic Substances And Disease Registry ToxFAQs™**, and/or **U.S. Environmental Protection Agency EMCI Chemical References Complete Index**. “Pollutants” includes the substances separately defined in this endorsement.

“Silica” means silica in any form and any of its derivatives, including but not limited to silica dust, silicon dioxide, crystalline silica, quartz, or non-crystalline (amorphous) silica.

“Volatile organic compound” means any compound which discharges organic gases as it decomposes or evaporates, examples of which include but are not limited to formaldehyde, pesticides, adhesives, construction materials made with organic chemicals, solvents, paint, varnish and cleaning products.

“Waste” means any property intended to be disposed, recycled, reused or reclaimed by the owner or user thereof.

“Organic pathogen” means any organic irritant or contaminant, including but not limited to mold, fungus, bacteria or virus, including but not limited to their byproduct such as mycotoxin, mildew, or biogenic aerosol.

All other terms and conditions of this policy remain unchanged.

**APPLICANT'S NAME:**

DBA, if applicable: \_\_\_\_\_

Location Address: \_\_\_\_\_ City: \_\_\_\_\_

State: \_\_\_\_\_ Zip: \_\_\_\_\_

E-mail address of primary contact: \_\_\_\_\_

Website address: \_\_\_\_\_

First Year in Business: \_\_\_\_\_

Annual Sales/Revenue: \_\_\_\_\_

Number of Employees: \_\_\_\_\_

Square Footage of Occupied Premises: \_\_\_\_\_

Do You Operate the Business Out of Your Home?

Yes  No

**GENERAL LIABILITY LIMIT DESIRED:**

\$300,000/\$600,000  \$500,000/\$1,000,000  \$1,000,000/\$2,000,000

**BUSINESS PERSONAL PROPERTY LIMIT DESIRED:** \_\_\_\_\_

**PRIOR LOSS HISTORY**

Have you had any losses in the past five years?

Yes  No

**GENERAL UNDERWRITING ELIGIBILITY**

Has your insurance coverage been cancelled or non-renewed in the past three years?

Yes  No

Do you act as a franchisor?

Yes  No

Are there functioning and operational smoke/heat detectors in all units and/or occupancies?

Yes  No

**CLASS SPECIFIC UNDERWRITING ELIGIBILITY**

**ART STUDIOS**

Do you manufacture any industrial artwork or metalwork?

Yes  No

Do you sell any products besides artwork for display?

Yes  No

**BAKERY, BUTCHER SHOP, CANDY STORE, CHEESE SHOP, COFFEE SHOP, COOKIE SHOP, CUPCAKE SHOP, DELI, DESSERT SHOP, DONUT & BAGEL SHOP, FROZEN YOGURT SHOP, FRUIT & VEGETABLES STORE, ICE CREAM SHOP, JUICE BAR, SANDWICH SHOP, SMOOTHIE BAR, SNACK BAR**

Do you use any commercial cooking equipment (e.g. deep fat fryer)?

Yes  No

Do you own a farm or growing operation?

Yes  No

Do you sell any alcohol or tobacco?

Yes  No

**BEAUTY SALONS/BARBER SHOPS**

Do you and all employees or independent contractors hold valid licenses?

Yes  No

Do you provide massage or tanning services?  Yes  No  
Do you provide nail services (e.g. manicure/pedicure)?  Yes  No

**BICYCLE STORE**

Do you rent or loan bicycles?  Yes  No  
Do you sell and used, refurbished, or pre-owned items?  Yes  No

**BRIDAL STORE**

Do you sell any used, refurbished, or pre-owned items?  Yes  No

**HOUSEKEEPING**

Are your cleaning services limited to residential locations only?  Yes  No  
Do you provide any handyperson services?  Yes  No

**MEDICAL OFFICES**

Do you provide any physical rehabilitation services?  Yes  No  
Do you perform any procedures under anesthesia on premises?  Yes  No

**PERSONAL TRAINER**

Do you hold a current U.S. certificate in your area of expertise?  Yes  No  
Do you provide any instruction or services specific to the following:  Yes  No  
Acupuncture, aerial yoga, boxing, bungee jumping, cheerleading, equestrian yoga, esthetician, extreme sports,  
freerunning, healthcare provider, martial arts or weapons training, massage therapy, naturopath, nutritionists,  
osteopaths, parkour instruction, physical therapy, pole dancing, SCUBA, trapeze, wilderness, hiking, wrestling

**PHOTOGRAPHER and/or VIDEOGRAPHER**

Do you offer aerial photography or videography services?  Yes  No  
Do you perform any film shoots or production services?  Yes  No

**REAL ESTATE AGENTS**

Do you provide any property management services?  Yes  No

**TRAVEL AGENTS**

Do you organize or host guided tours?  Yes  No  
Do you primarily specialize in international travel?  Yes  No

**OPTIONAL COVERAGE UNDERWRITING ELIGIBILITY**

**EMPLOYMENT PRACTICES LIABILITY**

Have you been involved in or do you plan to be involved in any layoffs, mergers, or acquisitions in the past five years or next two years?  Yes  No

**HIRED/NON-OWNED AUTO LIABILITY**

Does the applicant offer delivery service?  Yes  No  
Does the applicant own any vehicles?  Yes  No  
Do any employees or owners use personal car for business more than 12 times per year?  Yes  No

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

## **COMMUNICABLE DISEASE EXCLUSION**

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS COVERAGE FORM**

The following exclusion is added to Paragraph **B. Exclusions** in **Section II – Liability**:

### **Communicable Disease**

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the actual or alleged transmission of a communicable disease.

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

- a.** Supervising, hiring, employing, training or monitoring of others that may be infected with and spread a communicable disease;
- b.** Testing for a communicable disease;
- c.** Failure to prevent the spread of the disease; or
- d.** Failure to report the disease to authorities.

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

## **ADDITIONAL INSURED – TOWNHOUSE ASSOCIATIONS**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The following is added to Paragraph **C. Who Is An Insured** in **Section II – Liability**:

3. Each individual townhouse owner is also an insured, but only with respect to liability as a member of the townhouse 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.

**ASSOCIATION PROPERTY IN THE OPEN COVERAGE ENDORSEMENT**

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

**This endorsement modifies insurance provided under the following:  
BUSINESSOWNERS COVERAGE FORM**

The policy is amended at **SECTION I – PROPERTY**, subsection **A. Coverage** as follows:

- A. Under Paragraph **1. Covered Property**, the following subparagraph **c.** is added:
- c.** The following Specified Property owned by you or indivisibly by all association members:
    - (1)** Athletic courts;
    - (2)** Community roads, driveways and sidewalks;
    - (3)** Fences;
    - (4)** Flagpoles;
    - (5)** Fountains and water features;
    - (6)** Lights;
    - (7)** Monuments, entry features and gates;
    - (8)** Planters, benches, trashcans, mailboxes and picnic tables;
    - (9)** Playgrounds;
    - (10)** Gazebos, cabanas, pavilions, sheds, canopies and awnings;
    - (11)** Pools, spas and related equipment;
    - (12)** Storage units;
    - (13)** Outdoor furniture;
    - (14)** Walls;
    - (15)** Irrigation systems and maintenance equipment; and
    - (16)** Other property items indicated in the Declarations under Additional Property in the Open.
- However, Specified Property does not include personal property, owned by you or indivisibly by all association members, located inside a building.
- Coverage is limited to the blanket limit shown in the Declarations applicable to this endorsement.
- B. Under Paragraph **2. Property Not Covered**, subparagraph **e.** is deleted and replaced with the following:
- e.** Radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, signs (other than signs attached to buildings), trees, shrubs or plants (other than trees, shrubs or plants which are part of a vegetated roof), all except as provided in the:
    - (1)** Outdoor Property Coverage Extension; or
    - (2)** Outdoor Signs Optional Coverage;
- C. Under Paragraph **6. Coverage Extensions**, subparagraph **c. Outdoor Property** is deleted and replaced with the following:
- c. Outdoor Property**



You may extend the insurance provided by this policy to apply to your radio and television antennas (including satellite dishes), signs (other than signs attached to buildings), trees, shrubs and plants (other than trees, shrubs or plants which are part of a vegetated roof), including debris removal expense. Loss or damage must be caused by or result from any of the following causes of loss:

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

The most we will pay for loss or damage under this Extension is \$2,500, unless a higher Limit Of Insurance for Outdoor Property is shown in the Declarations, but not more than \$1,000 for any one tree, shrub or plant.

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

All other terms and conditions remain unchanged.

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Authorized Representative

## **POLLUTION, ORGANIC PATHOGEN, SILICA, ASBESTOS AND LEAD EXCLUSION WITH HOSTILE FIRE AND HUMAN FOOD PRODUCT EXCEPTIONS**

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

**This endorsement modifies insurance provided under the following:**

### **BUSINESSOWNERS COVERAGE FORM**

**SECTION II – LIABILITY** of the policy is amended as follows:

Exclusion **f. Pollution** is deleted and replaced by the following:

#### **Pollution, Organic Pathogen, Silica, Asbestos and Lead**

- (1) "Bodily injury" or "property damage"; or
- (2) Diminishing or lessening in value of property or for damages from the taking, use or acquisition or interference with the rights of others in property or air space; or
- (3) Loss, cost or expense, including but not limited to payment for investigation or defense, fines and penalties, arising out of any governmental or any private party action, that an insured or any other party test for, monitor, clean up, remove, contain, mitigate, treat, detoxify or neutralize or in any way respond to or assess the actual or alleged effects of "pollutants", "organic pathogens", "silica", asbestos, or lead;

arising directly, indirectly, in concurrence with or in any sequence out of the actual, alleged or threatened presence of or exposure to, ingestion, inhalation, absorption, contact with discharge, dispersal, seepage, release or escape of "pollutants", "organic pathogens", "silica", asbestos, or lead, whether or not any of the foregoing are (1) sudden, accidental or gradual in nature; (2) intentional; or (3) expected or intended from the standpoint of the insured.

This exclusion applies even if the "pollutant", "organic pathogen", "silica", asbestos, or lead has a function in, or is used by you in your business, operations, premises, site or location.

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

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

This exclusion does not apply to "bodily injury" or "property damage" arising from the consumption of food products intended for human consumption.

"Pollutants" mean[s] any solid, liquid, gaseous, bacterial, fungal, electromagnetic, thermal or other substance that can be toxic or hazardous, cause irritation to animals or persons and/or cause contamination to property and the environment including smoke, vapor, soot, fumes, acids, alkalis, chemicals, toxic materials, "volatile

organic compound” and gases therefrom, radon, combustion byproducts and waste. Specific examples identified as pollutants include, but are not limited to, diesel, kerosene, and other fuel oils; carbon monoxide and other exhaust gases; mineral spirits and other solvents; tetrachloroethylene, perchloroethylene (PERC), trichloroethylene (TCE), methylene chloroform, and other dry cleaning chemicals; chlorofluorocarbons, chlorinated hydrocarbons, adhesives, pesticides, insecticides, and all substances specifically listed, identified, or described by one or more of the following references: **Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) Priority List Hazardous Substances** (1997 and all subsequent editions), **Agency for Toxic Substances And Disease Registry ToxFAQs™**, and/or **U.S. Environmental Protection Agency EMCI Chemical References Complete Index**. “Pollutants” includes the substances separately defined in this endorsement.

“Silica” means silica in any form and any of its derivatives, including but not limited to silica dust, silicon dioxide, crystalline silica, quartz, or non-crystalline (amorphous) silica.

“Volatile organic compound” means any compound which discharges organic gases as it decomposes or evaporates, examples of which include but are not limited to formaldehyde, pesticides, adhesives, construction materials made with organic chemicals, solvents, paint, varnish and cleaning products.

“Waste” means any property intended to be disposed, recycled, reused or reclaimed by the owner or user thereof.

“Organic pathogen” means any organic irritant or contaminant, including but not limited to mold, fungus, bacteria or virus, including but not limited to their byproduct such as mycotoxin, mildew, or biogenic aerosol.

All other terms and conditions of this policy remain unchanged.

**COMMUNICABLE OR INFECTIOUS DISEASES EXCLUSION - TOTAL**

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

**This endorsement modifies insurance provided under the following:**

**BUSINESSOWNERS COVERAGE FORM**

The following exclusion is added to Paragraph **B.1. Exclusions – Applicable To Business Liability Coverage** in **Section II – Liability**:

This insurance does not apply to any “bodily injury”, “property damage” or “personal and advertising injury” arising out of any:

- 1.** Communicable or infectious condition, disease, injury or sickness;
- 2.** Causative agent of any communicable or infectious condition, disease, injury or sickness, regardless of whether such agent gives rise to any such condition, disease, injury or sickness; or
- 3.** Actual or attempted counseling or testing for, or containing, detoxifying, mitigating, monitoring or neutralizing of, or responding to, or assessing the effects of any:
  - a.** Condition, disease, injury, sickness; or
  - b.** Causative agent;described in Paragraph **1.** or **2.** above, including any:
  - (1)** Actual or attempted cure, diagnosis, prevention or treatment of any such condition, disease, injury or sickness;
  - (2)** Actual or attempted cleaning up, disposing, handling or removing of any such causative agent; or
  - (3)** Failure to perform any of the foregoing.

All other terms and conditions of the **Policy** remain unchanged.

## DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

Named Insured VINTAGE GROVE HOMEOWNERS ASSOCIATION, INC.			Endorsement Number TRIA11C0115
Policy Symbol ASN	Policy Number ASNNCF162086935	Policy Period 08-03-2021 TO 08-03-2022	Effective Date of Endorsement 08-03-2021
Issued By (Name of Insurance Company) PACIFIC INDEMNITY COMPANY			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

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

#### Disclosure Of Premium

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

#### Disclosure Of Federal Participation In Payment Of Terrorism Losses

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 85% for year 2015, 84% beginning on January 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 that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year , the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

#### Cap On Insurer Participation In Payment Of Terrorism Losses

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

Terrorism Risk Insurance Act premium: **\$8.**

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Authorized Representative

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

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

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

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

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

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

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

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

## **NORTH CAROLINA CHANGES**

This endorsement modifies insurance provided under the following:

### **BUSINESSOWNERS COVERAGE FORM**

**A. Section I – Property** is amended as follows:

1. If loss or damage to Covered Property in the Beach Territory is caused by or results from Windstorm Or Hail, the following additional exclusion applies to Section I – Property:

**Windstorm Or Hail Exterior Paint And Waterproofing Exclusion**

We will not pay for loss or damage to:

- a. Paint; or
- b. Waterproofing material;

applied to the exterior of Buildings.

We will not include the value of paint or waterproofing material to determine the value of Covered Property.

The Beach Territory consists of localities south and east of the Inland Waterway:

- a. From the South Carolina line to Fort Macon (Beaufort Inlet); and
- b. From there south and east of Core, Pamlico, Roanoke and Currituck Sounds to the Virginia line, generally known as the Outer Banks.

2. Paragraph **E.2. Appraisal** Property Loss Condition is replaced by the following:

**2. Appraisal**

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. You and we must notify the other of the appraiser selected within 20 days of the written demand for appraisal. The two appraisers will select an umpire. If the appraisers do not agree on the selection of an umpire within 15 days, they must request selection of an umpire by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and the amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be the appraised value of the property or amount of loss. If you make a written demand for an appraisal of the loss, each party will:

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

3. Paragraph **E.4. Legal Action Against Us** Property Loss Condition is replaced by the following:

**4. Legal Action Against Us**

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

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

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

4. Paragraph **E.5.d.(1)(d) Loss Payment** Property Loss Condition is replaced by the following:

**5. Loss Payment**

- (d) We will not pay on a replacement cost basis for any loss or damage:
  - (i) Until the lost or damaged property is actually repaired or replaced:
    - i. On the described premises; or
    - ii. At some other location in the State of North Carolina; and
  - (ii) Unless the repair or replacement is made as soon as reasonably possible after the loss or damage.

5. The following condition is added:

**Time Period For Performance Of Contractual Obligations**

Whenever a state of disaster is proclaimed for the state of North Carolina or for an area within this state in accordance with state law, or whenever a major disaster is declared for North Carolina or an area within this state by the President of the United States under the Stafford Act or its successors, the following provisions apply:

- 1. If the Covered Property that has sustained loss or damage is located within the geographic area designated in the disaster declaration or proclamation, the time period for your submission of a proof of loss (as set forth in the Duties In The Event Of Loss Or Damage Condition or similar provision in this policy or in an endorsement attached to this policy) shall be extended by a time period not exceeding the earlier of:
  - a. The expiration of the disaster proclamation or declaration and all renewals of the proclamation; or
  - b. The expiration of the Insurance Commissioner's order declaring action for the specific disaster, as determined by the Insurance Commissioner.

2. Except as otherwise provided in Paragraph 1., the following applies if you or we reside in or are located in the geographic area designated in the disaster declaration or proclamation:

If this policy or an endorsement attached to this policy imposes a time limitation on you or us for a performance of:

- a. A premium or debt payment; or
- b. Any other duty or any act (including transmittal of information),

under the terms of this policy and such performance would be required during the time period prior to the expiration of the Insurance Commissioner's order declaring action for the specific disaster, as determined by the Insurance Commissioner, your performance and our performance is subject to a deferral period of 30 days. The Commissioner of Insurance may extend such deferral period.

**B. Section III – Common Policy Conditions** is amended as follows:

1. Paragraph **A.2. Cancellation** 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;
  - (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.
2. The following paragraphs are added and supersedes any other provision to the contrary:
- M. Nonrenewal**
- 1. 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:
    - a. Expiration of the policy if this policy has been written for one year or less; or
    - b. Anniversary date of the policy if this policy has been written for more than one year or for an indefinite term.
  - 2. We need not mail or deliver the notice of nonrenewal if you have:
    - a. Insured property covered under this policy, under any other insurance policy;
    - b. Accepted replacement coverage; or
    - c. Requested or agreed to nonrenewal of this policy.
  - 3. If notice is mailed, proof of mailing will be sufficient proof of notice.
- N. The written notice of cancellation or nonrenewal will:**
- 1. 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
  - 2. State the reason or reasons for cancellation or nonrenewal.

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

**NORTH CAROLINA EFFECTIVE TIME CHANGES –  
REPLACEMENT OF 12 NOON**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

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

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

Named Insured VINTAGE GROVE Homeowners Association, Inc.			Endorsement Number BOP465200715
Policy Symbol ASN	Policy Number ASNNCF16208693 5	Policy Period 08-03-2021 to 08-03-2022	Effective Date of Endorsement 08-03-2021
Issued By (Name of Insurance Company) PACIFICINDEMNITY			

**Amendatory Endorsement - North Carolina**

IF THERE IS ANY CONFLICT BETWEEN THE **POLICY**, OTHER ENDORSEMENTS TO THE **POLICY** AND THIS ENDORSEMENT, THE TERMS PROVIDING THE BROADEST COVERAGE INSURABLE UNDER APPLICABLE LAW SHALL PREVAIL.

This endorsement modifies insurance provided under the MISCELLANEOUS PROFESSIONAL LIABILITY COVERAGE SECTION, the EPLI ENHANCEMENT ENDORSEMENT, the MISCELLANEOUS PROFESSIONAL LIABILITY – SOCIAL SERVICE ORGANIZATION COVERAGE SECTION and the BUSINESS OWNERS FOREIGN COVERAGE FORM.

1. The Declarations are amended to include the following notice:

THE LIMITS OF LIABILITY AVAILABLE TO PAY **INSURED DAMAGES** MAY BE REDUCED BY AMOUNTS INCURRED FOR **CLAIMS EXPENSES**. FURTHER NOTE THAT AMOUNTS INCURRED FOR **DAMAGES** AND **CLAIMS EXPENSES** MAY ALSO BE APPLIED AGAINST THE RETENTION AMOUNT. PLEASE READ THIS POLICY CAREFULLY.

2. The **EXTENDED REPORTING PERIOD** section of the MISCELLANEOUS PROFESSIONAL LIABILITY COVERAGE SECTION and the MISCELLANEOUS PROFESSIONAL LIABILITY – SOCIAL SERVICE ORGANIZATION COVERAGE SECTION is amended by deleting subsection D in its entirety and inserting the following:

- D. The Limits of Liability applicable to the Automatic **Extended Reporting Period** shall be part of and not in addition to the Limits of Liability for the immediately preceding **Policy Period**. The Automatic **Extended Reporting Period** shall not increase or reinstate the Limits of Liability, which shall be the maximum liability of the **Insurer** for the **Policy Period** and the Automatic **Extended Reporting Period**, combined.

The Optional **Extended Reporting Period**, if elected, shall reinstate the full amount of the Limits of Liability set forth in Item C.2 of the Declarations at the inception of the immediately preceding **Policy Period**, for the additional period of time purchased (hereinafter referred to as "**Optional Extended Reporting Period Limits of Liability**"). The **Optional Extended Reporting Period Limits of Liability** shall only be available to pay **Damages for Claims** first made and reported during the Optional **Extended Reporting Period** and arising from **Wrongful Acts** taking place on or subsequent to the **Retroactive Date** and prior to the effective date of termination or nonrenewal (hereinafter referred to as "**Optional Extended Reporting Period Damages**"). The maximum liability for all **Optional Extended Reporting Period Damages** is the **Optional Extended Reporting Period Limits of Liability**.

If any **Claim** is covered, in whole or in part, under both the Automatic **Extended Reporting Period** and the Optional **Extended Reporting Period**, if elected, only the **Optional Extended Reporting Period Limits of Liability** shall apply.

3. The following section is added to the MISCELLANEOUS PROFESSIONAL LIABILITY COVERAGE SECTION and the MISCELLANEOUS PROFESSIONAL LIABILITY – SOCIAL SERVICE ORGANIZATION COVERAGE SECTION:
- NONRENEWAL
    - A. If the **Insurer** decides not to renew this **Policy**, it will mail or deliver to the **Named Insured** shown in the Declarations written notice of the nonrenewal at least 45 days before the:
      1. expiration of the **Policy**, if this **Policy** has been written for 1 year or less; or
      2. anniversary date of the **Policy**, if this **Policy** has been written for more than 1 year or for an indefinite term.
    - B. The **Insurer** need not mail or deliver the notice of nonrenewal if the **Insured** has:
      1. insured property covered under this **Policy**, insured under any other insurance policy;
      2. accepted replacement coverage; or
      3. requested or agreed to nonrenewal of this **Policy**.
    - C. The written notice of nonrenewal will state the reasons for nonrenewal and will be mailed or delivered to the **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. If notice is mailed, proof of mailing will be sufficient proof of notice.
4. The following section is added to the MISCELLANEOUS PROFESSIONAL LIABILITY COVERAGE SECTION, the EPLI ENHANCEMENT ENDORSEMENT and the MISCELLANEOUS PROFESSIONAL LIABILITY – SOCIAL SERVICE ORGANIZATION COVERAGE SECTION:
- RIGHT TO CLAIM INFORMATION
 

Within 45 days after the mailing or delivery of the written request of the **Named Insured**, the **Insurer** shall mail or deliver the following loss information covering a 3 year period:

    1. aggregate information on total closed claims, including date and description of occurrence, and any paid losses;
    2. aggregate information on total open claims, including date and description of occurrence, and amounts of any payments;
    3. information on notice of any occurrence, including date and description of occurrence.

It is agreed that the BUSINESS OWNERS FOREIGN COVERAGE FORM is amended as follows:

1. Part V of the BUSINESS OWNERS FOREIGN COVERAGE FORM, Paragraph **I. Knowledge of an Accident**, is deleted in its entirety.
2. Part III. of the BUSINESS OWNERS FOREIGN COVERAGE FORM, Paragraph R. Suit, is deleted in its entirety and replaced by the following:
  - R. "Suit" means a civil lawsuit or arbitration arising from a "covered event", provided that such proceeding is brought within three (3) years after the release or death of a kidnapped or detained "covered person(s)" or the last reasonably credible "extortion" threat occurring during the Policy Period, but in no event longer than three (3) years after the inception of the "kidnap", "extortion" or "wrongful detention".

All other terms and conditions of this **Policy** remain unchanged.

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Authorized Representative

## NORTH CAROLINA AMENDATORY ENDORSEMENT

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

**This endorsement modifies insurance provided under the following:**

### **PRIVACY LIABILITY AND DATA BREACH FUND PRIVACY LIABILITY INSURANCE ENDORSEMENT**

IF THERE IS ANY CONFLICT BETWEEN THE **POLICY**, OTHER ENDORSEMENTS TO THE **POLICY** AND THIS ENDORSEMENT, THE TERMS PROVIDING THE BROADEST COVERAGE INSURABLE UNDER APPLICABLE LAW SHALL PREVAIL.

Section XIII. TERMINATION is deleted in its entirety and replaced with the following:

#### XIII. TERMINATION

A. This Endorsement shall terminate at the earliest of the following times:

1. the effective date of termination specified in a prior written notice by the **Named Insured** to the **Insurer**;
2. 30 days after receipt by the **Named Insured** of a written notice of termination from the **Insurer**;
3. 15 days after receipt by the **Named Insured** of a written notice of termination from the **Insurer** for failure to pay a premium when due, unless the premium is paid within such 15-day period;
4. upon expiration of the **Policy Period** as set forth in Item 2 of the Declarations; or
5. at such other time as may be agreed upon by the **Insurer** and the **Named Insured**.

All other terms and conditions of this **Policy** remain unchanged.

# IMPORTANT INFORMATION

## NOTICE – OFFER OF TERRORISM COVERAGE; DISCLOSURE OF PREMIUM

**THIS NOTICE DOES NOT FORM A PART OF THE POLICY, GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.**

As used herein, 1) “we” means the insurer listed on the Declarations or the Certificate of Insurance, as applicable; and 2) “you” means the first person or entity named on the Declarations or the Certificate of Insurance, as applicable.

You are hereby notified that under the Terrorism Risk Insurance Act, as extended and reauthorized (“Act”), you have a right to purchase insurance coverage of losses arising out of acts of terrorism, as defined in Section 102(1) of the Act, subject to all applicable policy provisions. The Terrorism Risk Insurance Act established a federal program within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks.

This Notice is designed to alert you to coverage restrictions and to certain terrorism provisions in the policy. If there is any conflict between this Notice and the policy (including its endorsements), the provisions of the policy (including its endorsements) apply.

### CHANGE IN THE DEFINITION OF A CERTIFIED ACT OF TERRORISM

The Act applies when the Secretary of the Treasury certifies that an event meets the definition of an act of terrorism. Originally, the Act provided that to be certified, an act of terrorism must cause losses of at least five million dollars and must have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest to coerce the government or population of the United States. However, the 2007 re-authorization of the Act removed the requirement that the act of terrorism must be committed by or on behalf of a foreign interest, and now certified acts of terrorism may encompass, for example, a terrorist act committed against the United States government by a United States citizen, when the act is determined by the federal government to be “a certified act of terrorism.”

In accordance with the Act, we are required to offer you the ability to purchase coverage for losses resulting from an act of terrorism that is certified under the federal program. The other provisions of this policy, including nuclear, war or military action exclusions, will still apply to such an act.

### DISCLOSURE OF FEDERAL PARTICIPATION IN PAYMENT OF TERRORISM LOSSES

The Department of the Treasury will pay a share of terrorism losses insured under the federal program. In 2015, the federal share equals 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention, and shall decrease by 1 percentage point per calendar year until equal to 80%.

### LIMITATION ON PAYMENT OF TERRORISM LOSSES

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year (January 1 through December 31), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

Further, this coverage is subject to a limit on our liability pursuant to the federal law where, if aggregate insured losses attributable to terrorist acts certified under the Act exceed \$100 billion in a calendar year (January 1 through December 31) and we have met our insurer deductible under the Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion. 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.

## CONFIRMATION OF ACCEPTANCE OF COVERAGE

In accordance with the Act, we offered you coverage for losses resulting from an act of terrorism that is certified under the federal program. This notice confirms that you have chosen to accept our offer of coverage for certified acts of terrorism. The policy's other provisions, including nuclear, war or military action exclusions, will still apply to such an act. The premium charge for terrorism coverage, if any, is shown separately on the Declarations or the Certificate of Insurance, as applicable.



## **POLICYHOLDER NOTICE**

### **Economic and Trade Sanctions Conditions**

Ethics and proper business conduct has been the cornerstone of CNA since 1897. While much has changed during the last century, our commitment to these core values has not wavered. We strongly believe that proper business conduct is more than the practice of avoiding wrong; it is also a matter of choosing to do right. Nowhere is this more essential than helping in the fight against terrorism. As such, we are committed to complying with U.S. Department of Treasury Office of Foreign Asset Control (OFAC) requirements.

Through a variety of laws, OFAC administers and enforces economic sanctions against countries and groups of individuals, such as terrorists and narcotics traffickers. These laws prohibit all United States citizens (including corporations and other entities) and permanent residents from engaging in transactions with sanctioned countries and with individuals and entities on the Specially Designated Nationals (SDN) list. Because all U.S. citizens and companies are subject to this law, we wanted to be sure you were aware of its scope and restrictions. If you haven't already done so, you may want to consider discussing this issue with your legal counsel to ensure you are in compliance.

For insurance companies, accepting premium from, issuing a policy to, insuring property of, or making a claim payment to an individual or entity that is the subject of U.S.-imposed economic sanctions or trade embargoes usually are violations of these laws and regulations. Fines for violating OFAC requirements can be substantial. CNA has established an OFAC compliance program part which includes the use of exclusionary policy language. We believe this makes good business sense for CNA and you.

The purpose of this letter is to advise you that your policy includes OFAC exclusionary policy language, which may reduce or eliminate certain coverage. Specifically, if it is determined that your policy violates certain Federal or State laws or regulations, such as the U.S. list of Specially Designated Nationals or Blocked Persons (organizations or individuals associated with terrorist groups), any term or condition of your policy will be null and void to the extent it violates the applicable laws or regulations of the United States.

We're sure you share our commitment to compliance and thank you for your cooperation.

Your policy language reads as follows:

#### **ECONOMIC AND TRADE SANCTIONS CONDITION**

The following condition is added to the Policy:

#### **ECONOMIC AND TRADE SANCTIONS CONDITION**

In accordance with laws and regulations of the United States concerning economic and trade embargoes, this policy is void from its inception with respect to any term or condition of this policy that violates any laws or regulations of the United States concerning economic and trade embargoes including, but not limited to the following:

1. Any insured, or any person or entity claiming the benefits of an insured, who is or becomes a Specially Designated National or Blocked Person or who is otherwise subject to U.S. economic or trade sanctions;
2. Any claim or "suit" that is brought in a Sanctioned Country or by a Sanctioned Country Government, where any action in connection with such claim or suit is prohibited by U.S. economic or trade sanctions;
3. Any claim or "suit" that is brought by any Specially Designated National or Blocked Person or any person or entity who is otherwise subject to U.S. economic or trade sanctions;
4. Property that is located in a Sanctioned Country or that is owned by, rented to or in the care, custody or control of a Sanctioned Country Government, where any activities related to such property are prohibited by U.S. economic or trade sanctions; or
5. Property that is owned by, rented to or in the care, custody or control of a Specially Designated National or Blocked Person, or any person or entity who is otherwise subject to U.S. economic or trade sanctions.

As used in this endorsement a Specially Designated National or Blocked Person is any person or entity that is on the list of Specially Designated Nationals and Blocked Persons issued by the U.S. Treasury Department's Office of Foreign Asset Control (OFAC) as it may be from time to time amended.

As used in this endorsement a Sanctioned Country is any country that is the subject of trade or economic embargoes imposed by the laws or regulations of the United States of America.

**THIS DISCLOSURE NOTICE DOES NOT PROVIDE COVERAGE NOR DOES THIS NOTICE REPLACE ANY PROVISIONS OF YOUR POLICY. YOU SHOULD READ YOUR POLICY: AND REVIEW YOUR DECLARATIONS PAGE FOR COMPLETE INFORMATION ON THE COVERAGE AND PRICE OF YOUR POLICY. IF THERE IS ANY CONFLICT BETWEEN THE POLICY AND THIS NOTICE, THE PROVISIONS OF THE POLICY SHALL PREVAIL. YOUR INDEPENDENT INSURANCE AGENT WILL BE ABLE TO EXPLAIN THE TERMS OF THE CONTRACT IN DETAIL.**

Policy No.: 618924281

Issued To: Vintage Grove Homeowners Association, Inc.  
Effective Date: 08/03/2021

## NOTICE:

WITH RESPECT TO ASSOCIATION LIABILITY COVERAGE PART, THIS IS A CLAIMS MADE POLICY AND, SUBJECT TO ITS PROVISIONS, APPLIES ONLY TO ANY CLAIM FIRST MADE AGAINST THE NAMED ENTITY INSUREDS DURING THE POLICY PERIOD. NO COVERAGE EXISTS FOR CLAIMS FIRST MADE AFTER THE END OF THE POLICY PERIOD UNLESS, AND TO THE EXTENT THAT, THE EXTENDED REPORTING PERIOD APPLIES.

THE CRIME COVERAGE PART APPLIES TO A COVERED LOSS SUSTAINED RESULTING FROM ACTS OR EVENTS OCCURRING DURING THE POLICY PERIOD UNLESS CERTAIN CONDITIONS CONCERNING PRIOR INSURANCE ARE MET.

DEFENSE COSTS INCURRED UNDER COVERAGE PARTS A REDUCE THE LIMIT OF LIABILITY AND ARE SUBJECT TO THE RETENTION. PLEASE REVIEW THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

NAMED ENTITY AND MAILING ADDRESS	NAMED ENTITY NUMBER AND PHYSICAL ADDRESS
Item 1. Vintage Grove Homeowners Association, Inc. c/o Community Association Management P.O. Box 79032 Charlotte, NC 28271	1000 Beringer Place APEX, NC 27502
POLICY NUMBER	INSURER
618924281	Continental Casualty Company CNA Center, 151 North Franklin Street Chicago, IL 60606

Item 2. **Policy Period:** 08/03/2021 to 08/03/2022  
12:01 a.m. local time at the address stated in Item 1.

Item 3. **Policy Premium:** \$1,045.00

**Total Amount Due:** \$1,045.00

Item 4. Notices to Insurer:

**Claims:**

CNA – Community Association Claims Reporting  
P.O. Box 8317  
Chicago, IL 60680-8317

Email: newlossnfca@cna.com

**All other notices:**

Ian H. Graham Insurance, a division of  
Affinity Insurance Services, Inc.  
Managing General Underwriter  
15303 Ventura Boulevard, 12th Floor  
Sherman Oaks, CA 91403

Item 5. Coverage:

This Policy is issued with the Limits of Liability and Retentions set forth, subject to the Prior or Pending Date, if applicable all as set forth in the schedule below.

**Defense Costs** are included within the applicable limit of liability for **Association Liability Coverage Part**. Defense costs are neither covered nor included within the applicable limits(s) of liability for the **Crime Coverage Part**.

This Policy includes *only* those coverages designated with a "Yes" as "Included" in column ① of the Coverage Schedule set forth below. *If neither "Yes" or "No" is designated for a **Coverage Part** or a specific **Crime Coverage Part** Insuring Agreement, such **Coverage Part** or specific **Crime Coverage Part** Insuring Agreement is not included.*

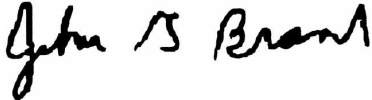
COVERAGE PART	① INCLUDED (YES OR NO)	② SCHEDULED LIMITS OF LIABILITY	③ SCHEDULED RETENTIONS	④ PRIOR OR PENDING DATE
Association Liability	Yes	\$1,000,000 Aggregate Limit of Liability for all <b>Loss</b> paid on behalf of all <b>Named Entity Insureds</b> for all <b>Claims</b> first made during each <b>Policy Period</b> .	\$1,000	08/26/2020
Crime: Insuring Agreement 1: Employee Dishonesty	No	\$ per loss N/A	N/A	<i>Not Applicable</i>
Insuring Agreement 2: Forgery or Alteration	No	N/A	N/A	
Insuring Agreement 3: Theft, Disappearance and Destruction	No	N/A	N/A	
Insuring Agreement 4: Computer Fraud and Wire Transfer Fraud	No	N/A	N/A	

Item 6. Any natural person or entity property manager hired by the **Named Entity** to provide **Property Management Services**.

Item 7. Endorsements forming a part of this Policy at issuance:

CNA-81758-XX (3/15)	Notice - Offer of Terrorism Coverage; Disclosure of Premium
G-145126-A (8/03)	Policyholder Notice Economic and Trade Sanctions Conditions
G-145170-AC (6/03)	Community Association Policy General Terms and Conditions
G-145171-AC (6/03)	Community Association Liability Coverage Part
CNA-77509-XX (1/14)	Network Risk and Privacy Claim Endorsement
CNA-77510-XX (1/14)	Privacy Event Expense Endorsement
CNA-77511-XX (1/14)	Amend Claims By Insured Exclusions Endorsement
CNA-77512-XX (1/14)	Wage and Hour Law Claims Defense Costs Coverage Endorsement
CNA-77513-XX (1/14)	Outside Director Endorsement
CNA-77515-XX (1/14)	Supplementary Payment - Defendant Reimbursement Endorsement
CNA-77516-XX (1/14)	Defense Costs Outside the Limits Endorsement
CNA-77517-XX (1/14)	Public Relations Event Expenses Endorsement
CNA-80749-XX (11/14)	Unlimited Extended Reporting Period Endorsement for Past Directors or Officers
CNA-81751-XX (3/15)	Cap on Losses from Certified Acts of Terrorism Endorsement
CNA-90997-XX (1/18)	Immigration Claim Defense Costs Endorsement
CNA-95307-XX (3/19)	Workplace Violence Act Endorsement (with Sublimit)
GSL-8393-XX (3/07)	Remove Specified Peril
GSL-8394-XX (3/07)	Breach of Contract Defense Coverage with Sublimit Endorsement
GSL-11876-XX (2/10)	Bi-Lateral Optional Extended Reporting Period Endorsement
GSL-40679-XX (8/11)	Amend Settlement Endorsement
GSL-40680-XX (8/11)	Mediation Endorsement
CNA-80748-XX (11/14)	First Dollar Defense Endorsement
G-145127-A32 (10/03)	Cancellation and Nonrenewal Endorsement - North Carolina
G-145128-A32 (3/10)	Amendatory Endorsement - North Carolina

These Declarations, along with the completed and signed **Application**, the Policy, and any written endorsements attached shall constitute the contract between the **Named Entity Insureds** and the Insurer.

Authorized Representative:   
Date: 05/20/2021

In consideration of the payment of the premium and in reliance upon all statements made in the **Application** furnished to the Insurer designated in the Declarations, a stock insurance corporation, hereafter called the Insurer, the Insurer and the **Named Entity Insureds** agree as follows:

## I. TERMS AND CONDITIONS

The terms and conditions of each **Coverage Part** apply only to that **Coverage Part** and shall not apply to any other **Coverage Part**. If any provision in these General Terms & Conditions is inconsistent or in conflict with the terms and conditions of any **Coverage Part**, the terms and conditions of that **Coverage Part** shall control for purposes of that **Coverage Part**.

## II. DEFINITIONS

Words set forth in bold have the meaning set forth below. However, any bolded word defined in these General Terms & Conditions that is defined differently in a **Coverage Part** shall, for purposes of coverage under that **Coverage Part**, have the meaning defined in that **Coverage Part**.

1. **Application** means all applications for this Policy and for any policy in an uninterrupted series of policies issued by the Insurer or any affiliate of the Insurer of which this Policy is a renewal or replacement. **Application** includes any materials submitted or required to be submitted with the **Application**. An "affiliate of the Insurer" means an insurer controlling, controlled by or under common control with the Insurer.
2. **Coverage Part** means only those coverage parts designated in the Declarations as "Included" in this Policy and attached hereto.
3. **Crime Coverage Part** means the Crime Coverage Part, if such **Coverage Part** is designated as "Included" in the Declarations and attached hereto.
4. **Crime Loss** means loss sustained under the **Crime Coverage Part**.
5. **Defense Costs** means all reasonable and necessary fees charged by attorneys designated by the Insurer, or by the **Named Entity Insureds** with the Insurer's written consent. **Defense Costs** also include all other reasonable and necessary fees, costs and expenses resulting from the investigation, adjustment, defense and appeal of a **Liability Claim** if incurred by the Insurer, or by the **Named Entity Insureds** with the written consent of the Insurer, including the costs of appeal, attachment or similar bonds. However, the Insurer has no obligation to provide such bonds. **Defense Costs** shall not include salaries, wages, fees, overhead or benefit expenses associated with the directors, officers, employees, trustees, committee members, or volunteers of **Named Entity**, any **Subsidiary**, or **Property Manager**.
6. **ERISA or any Similar Act** means the Employee Retirement Income Security Act of 1974, as amended, or any similar common or statutory law of the United States or its states, territories or possessions, or any other jurisdiction anywhere in the world.
7. **Executive Officer** means with respect to **Named Entity**, any **Subsidiary**, or **Property Manager**, its trustees, chairperson, chief executive officer, president, chief financial officer, in-house general counsel, and the director of human resources or equivalent position.
8. **Financial Insolvency** means, with respect to any **Named Entity** covered under any **Coverage Part** designated as "included" in the Declarations attached hereto:

- a. the appointment by any state or federal official, agency or court of a receiver, conservator, liquidator, trustee, rehabilitator or similar official to take control of, supervise, manage or liquidate such **Named Entity**; or such **Named Entity** becoming a debtor in possession; and
  - b. except with respect to a **Change in Status**, the inability of such organization financially or under applicable law to advance **Defense Costs** or indemnify the **Insureds** for **Liability Loss**.
9. **Fungi** means any form of fungus, including but not limited to yeast, mold, mildew, rust, smut or mushroom, and any spores, mycotoxins, odors or any other substances, products, or by products produced by, released by, or arising out of the current or past presence of fungi.
10. **Insured Person** means any natural person covered under the **Liability Coverage Part**.
11. **Interrelated Wrongful Acts** means any **Wrongful Acts** which are logically or causally connected by reason of any common fact, circumstance, situation, transaction or event.
12. **Liability Claim** means any claim covered under the **Liability Coverage Part**.
13. **Liability Coverage Part** only means the **Association Liability Coverage Part**, if such **Coverage Part** is designated as "Included" in the Declarations attached to this policy.
14. **Liability Loss** means loss covered under the **Liability Coverage Part**.
15. **Loss** means all **Liability Loss** and all **Crime Loss**.
16. **Microbe** means any non-fungal microorganism or non-fungal colony-form organism that causes infection or disease including but not limited to any spores, mycotoxins, odors or any other substances, products, or by products produced by, released by, or arising out of the current or past presence of microbes.
17. **Named Entity** means the association named in Item 1 of the Declarations, including such association as a debtor in possession under Chapter 11 of the United States Bankruptcy Code or an equivalent status under the law of any other country.
18. **Named Entity Insureds** means the **Named Entity**, **Subsidiaries**, **Property Manager** and **Insured Persons** covered under under any **Coverage Part** designated as "Included" in the Declarations.
19. **Policy Period** means the period from the effective date of this Policy to the Policy expiration date stated in Item 2 of the Declarations, or its earlier cancellation date.
20. **Policy Premium** means the original premium and the fully annualized amount of any additional premiums, other than the Extended Reporting Period premium, charged by the Insurer before or during the **Policy Period**.
21. **Pollutants** means any substance exhibiting hazardous characteristics as, is or may be defined or identified on any list of hazardous substances issued by the United States Environmental Protection Agency or any state or local or foreign counterpart. **Pollutants** also means, without limitation, any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste (including materials to be recycled, reconditioned or reclaimed), as well as any air emission, odor, waste water, oil or oil products, infectious or medical waste, asbestos, or asbestos products.

22. **Property Manager** means the entity or natural person specified in Item 6 of the Declarations. If an entity is specified in Item 6, **Property Manager** shall also include **Property Manager Employees** employed by such entity to provide real estate **Property Management Services** to the **Named Entity**.
23. **Property Manager Employee** means any natural person in the regular service of a **Property Manager** in the ordinary course of such **Property Manager's** business, whom such **Property Manager** governs and directs in the performance of such service, including any part-time, seasonal, leased or temporary employee, or any duly elected or appointed director, officer, member of the board of managers or management committee member while performing **Property Management Services** within the usual scope of a **Property Manager Employee**.
24. **Subsidiary** means any entity which qualifies as a non-profit entity under Internal Revenue Code Section 501(c)(3) and any amendment thereto, during any time in which the **Named Entity** owns or controls, directly or through one or more **Subsidiaries**, the right to elect or appoint more than 50% of the entity's directors or trustees.
25. **Change in Status** means the consolidation or merger of the **Named Entity** into or with another entity, or **Financial Insolvency**:

### III. EXTENDED REPORTING PERIOD/DISCOVERY

1. Solely with respect to any **Liability Coverage Part**, if the Insurer non-renews this Policy, the **Named Entity** shall be provided, at no additional charge, an extension of this Policy for a period of 30 days immediately following the end of the **Policy Period**, but only with respect to **Claims** made against **Named Entity Insureds** and reported to the Insurer during such extension by reason of any **Wrongful Act** committed before the earlier of the end of the **Policy Period** or the effective date of any **Change in Status**.

This period shall be referred to as the automatic Extended Reporting Period.

2. If the Insurer non-renews this Policy, the **Named Entity** shall have the right to purchase, upon payment of an additional premium equal to 100% of the annualized **Policy Premium**, an extension of this Policy for a period of 12 months immediately following the end of the **Policy Period**, but only with respect to;
- under the **Liability Coverage Part**, any **Wrongful Act** committed before the earlier of the end of the **Policy Period** or the effective date of any **Change in Status**;
  - under the **Crime Coverage Part**, loss sustained completely prior to the earlier of the end of the **Policy Period** or the effective date of any **Change in Status**, which is discovered by the **Named Entity** no later than one year from the date of that termination or cancellation.

This period shall be referred to as the optional Extended Reporting Period.

3. As a condition precedent to the right to purchase the optional Extended Reporting Period, (i) the total premium for this Policy must have been paid; (ii) the **Named Entity** must request such Extended Reporting Period in writing, and such request must be received by the Insurer, at the address for notices set forth in Item 4 of the Declarations page, within 30 days of the end of the **Policy Period** or the effective date of any **Change in Status**, and (iii) the full payment of the premium for such Extended Reporting Period must be received by the Insurer within 30 days after the end of the **Policy Period**.



4. If the optional Extended Reporting Period is purchased, the entire premium shall be deemed fully earned at its commencement without any obligation by the Insurer to return any portion thereof.
5. There is no separate or additional limit of liability for the automatic or optional Extended Reporting Period.
6. No receiver, conservator, liquidator, trustee, rehabilitator, or similar official and no governmental agency, body or representative can exercise the right to: (i) purchase extended discovery with respect to the **Crime Coverage Part**; or (ii) report any claim under the **Crime Coverage Part**. In addition, the Extended Reporting Period terminates immediately with respect to the **Crime Coverage Part** on the effective date of any other insurance obtained by **Named Entity Insureds** or any other party which replaces, in whole or in part, the coverage afforded by the **Crime Coverage Part**, regardless of whether such insurance provides coverage for **Loss** sustained prior to the effective date of this Policy.

#### IV. ESTATES, LEGAL REPRESENTATIVES AND SPOUSES

The estates, heirs, legal representatives, assigns, spouses and legally recognized domestic partners of **Insured Persons** shall be considered **Named Entity Insureds** under the **Liability Coverage Part**; provided, however, coverage is afforded to such estates, heirs, legal representatives, assigns, spouses and legally recognized domestic partners only for a **Claim** arising solely out of their status as such and, in the case of a spouse, where such **Claim** seeks damages from marital community property, jointly held property or property transferred from the **Insured Person** to the spouse. No coverage is provided for any act, error or omission of an estate, heir, legal representative, assign, spouse or legally recognized domestic partners. All terms and conditions of this Policy, including without limitation the retention applicable to **Liability Loss** incurred by the **Insured Person**, shall also apply to loss incurred by such estates, heirs, legal representatives, assigns, spouses and legally recognized domestic partners.

#### V. LIMIT OF LIABILITY/RETENTIONS

1. Limit of Liability
  - a. The Scheduled Limits of Liability set forth in Item 5 of the Declarations as the Scheduled Limits of Liability for the **Association Liability Coverage Part** shall be the maximum aggregate Limits of Liability of the Insurer for all **Liability Loss** under such **Coverage Part**, regardless of the number of **Claims** made against the **Named Entity Insureds**;
  - b. The Scheduled Limit of Liability set forth in Item 5 of the Declarations as the Scheduled Limit of Liability for the **Crime Coverage Part** shall be the maximum limit of liability of the Insurer for each **Crime Loss** under the **Crime Coverage Part**. Such limit of liability shall not accumulate from **Policy Period** to **Policy Period**
  - c. If the Limit of Liability for any **Coverage Part** is exhausted by payment of **Loss**, the Insurer's obligations under such **Coverage Part** shall be deemed completely fulfilled and extinguished.
  - d. The Insurer shall pay **Liability Loss** on behalf of the **Named Entity Insureds**, and shall pay **Crime Loss** as incurred by the **Named Entity Insureds**, without consideration of other future obligations.
  - e. The liability of the Insurer for all **Crime Loss** sustained by more than one **Named Entity Insured** shall not exceed the amount that the Insurer would pay if all **Crime Loss** had been sustained by one **Named Entity Insured**.

- f. In the event any loss is covered partly by the **Crime Coverage Part** and partly by any prior canceled or terminated insurance that the Insurer or any affiliate issued to the **Named Entity Insureds**, the most the Insurer will pay with respect to such loss is the larger of the amount recoverable under the **Crime Coverage Part** or the prior insurance.
  - g. If any loss is covered partly by the **Crime Coverage Part** and partly by any prior canceled or terminated insurance issued by any carrier other than the Insurer or any affiliate: (i) any retention amount applicable to the loss under the **Crime Coverage Part** will be reduced by any deductible or retention amount applicable under the prior insurance, and (ii) the limit applicable to the loss under the **Crime Coverage Part** will be reduced by any amount paid or payable to the **Named Entity Insured** under the prior insurance.
2. Retentions
- a. Subject to paragraph c below, the Insurer is liable to pay only that amount of **Loss** in excess of any applicable retention. The Insurer will have no obligation to pay all or any portion of any applicable retention.
  - b. Separate Retentions as set forth in Item 5 of the Declarations as the Scheduled Retentions shall apply to each **Loss** under each **Coverage Part**.
  - c. No retention applies with respect to any **Liability Loss** in a **Claim** against any **Insured Persons** if the **Named Entity**, or any **Subsidiary** are not permitted to advance **Defense Costs** or to indemnify such **Insured Persons** for **Liability Loss** by reason of:
    - (1) **Financial Insolvency**; or
    - (2) a good faith determination by **Named Entity**, or any **Subsidiary** that such payment is not permitted under the broadest construction of applicable law.
  - d. Subject to Section XII below, if a **Loss** is covered under more than one **Coverage Part** and if more than one retention applies to such **Loss**, the maximum total retention amount applicable to such **Loss** shall be the amount of the largest applicable retention.

## VI. DEFENSE AND SETTLEMENT OF LIABILITY CLAIMS

### 1. Defense of Claims

The Insurer has the right and duty to defend all **Liability Claims**, even if the allegations are groundless, false or fraudulent. The Insurer shall have the right to appoint counsel and to make such investigation and defense of a **Liability Claim** as it deems necessary. The Insurer's obligation to defend any **Liability Claim** or pay any **Liability Loss**, including **Defense Costs**, shall be completely fulfilled and extinguished if the limit of liability has been exhausted by payment of **Liability Loss**, or if the **Named Entity** has failed to pay its full retention for reasons other than **Financial Insolvency**.

### 2. Settlement

The Insurer shall not settle a **Liability Claim** without the consent of the **Named Entity Insureds**, other than any **Property Manager**, which shall not be unreasonably withheld. If the **Named Entity Insureds**, other than any **Property Manager** unreasonably refuse to consent to a settlement or compromise recommended by the Insurer, and acceptable to the claimant, then the applicable limit of liability under this Policy shall be reduced to the amount for which the **Liability Claim** could have been settled plus all **Defense Costs** incurred up to the time the Insurer made its recommendation.

3. Cooperation of **Named Entity Insureds**

The **Named Entity Insureds** shall not admit liability, consent to any judgment, agree to any settlement or make any settlement offer without the Insurer's prior written consent, such consent not to be unreasonably withheld. The Insurer shall not be liable for any **Loss** to which it has not consented. The **Named Entity Insureds** agree that they shall not knowingly take any action which increases the Insurer's exposure for **Loss** under this Policy. The **Named Entity Insureds** shall furnish the Insurer with copies of reports, investigations, pleadings, and all related papers, and such other information, assistance and cooperation as the Insurer may reasonably request.

**VII. NOTICE/DATE OF CLAIM/INTERRELATED CLAIM CLAUSE/ SWORN PROOF OF LOSS**

1. If, during the **Policy Period** or any Extended Reporting Period, if applicable, any **Claim** is first made against the **Named Entity Insureds**, the **Named Entity Insureds** shall, as a condition precedent to the obligations of the Insurer under this Policy, give a written notice to the Insurer as soon as reasonably possible.
2. If, during the **Policy Period** the **Named Entity Insureds** first become aware of a specific **Wrongful Act** which may reasonably give rise to a future **Liability Claim** and during such period give written notice to the Insurer of:
  - a. the names of any potential claimants and a description of the **Wrongful Act** which forms the basis of their potential **Claim**;
  - b. the identity of the specific **Named Entity Insureds** allegedly responsible for such specific **Wrongful Act**;
  - c. the consequences that have resulted or may result from such specific **Wrongful Act**;
  - d. the nature of the potential monetary damages or non-monetary relief which may be sought in consequence of such specific **Wrongful Act**; and
  - e. the circumstances by which **Named Entity Insureds** first became aware of such specific **Wrongful Act**;

then any **Liability Claim** otherwise covered pursuant to the **Liability Coverage Part** which is subsequently made and which arises out of such **Wrongful Act** shall be deemed to have been first made and reported to the Insurer by the **Named Entity Insureds** at the time such written notice was received by the Insurer. No coverage is provided for fees and expenses incurred prior to the time such notice results in a **Liability Claim**.

3. Except as provided in subsection 2 above, a **Liability Claim** shall be deemed made:
  - a. in the case of a civil, criminal, administrative, regulatory proceeding or arbitration, on the earliest of the date of service upon or other receipt by any **Named Entity Insured** of a complaint, indictment, notice of charge or similar document against the **Named Entity Insured** in such proceeding or arbitration;
  - b. in the case of a written demand for monetary damages or non-monetary relief, on the **Named Entity Insureds'** receipt of such written demand.

4. More than one **Liability Claim** involving the same **Wrongful Act** or **Interrelated Wrongful Acts** shall be considered as one **Liability Claim** which shall be deemed made on the earlier of:
  - a. the date on which the earliest such **Liability Claim** was first made, or
  - b. the first date valid notice was given by the **Named Entity Insureds** to the Insurer under this Policy of any **Wrongful Act** or under any prior policy of any **Wrongful Act**, or any fact, circumstance, situation, event or transaction which underlies any such **Liability Claim**.
5. With respect to the **Crime Coverage Part**, within 90 days after discovery the **Named Entity Insured** sustained a loss, the **Named Entity Insured** shall provide a detailed sworn proof of loss. The **Named Entity Insureds** will, upon request of the Insurer, submit to an examination under oath. The **Named Entity Insureds** will also notify the police if they have reason to believe that any loss involves a violation of law.
6. The **Named Entity Insureds** shall give written notice to the Insurer under this Policy as specified in Item 4 of the Declarations, which shall be effective upon receipt.

#### VIII. CANCELLATION

1. The Insurer may not cancel this Policy except for non-payment of any premium when due by providing to **Named Entity** written notice stating when, not less than 20 days thereafter, such cancellation shall be effective. This Policy is issued in consideration of the payment of the premium. If there is non-payment of the premium due on inception of the **Policy Period**, this policy does not take effect, and the Named Insured will be so notified.
2. The **Named Entity Insureds** grant the exclusive authority to cancel this Policy to **Named Entity**. **Named Entity** may cancel this Policy by providing the Insurer written notice stating when thereafter such cancellation shall be effective. The mailing or delivery of such notice shall be sufficient. The unearned premium shall be computed pro rata and premium adjustment may be made at the time cancellation is effected or as soon as practicable.

#### IX. NOTICES TO THE NAMED ENTITY

Any notices required under Section VIII, **CANCELLATION**, shall be provided to **Named Entity** at the address set forth in Item 1 of the Declarations and to the **Property Manager** if and at the address, specified in Item 6 of the Declarations for this Policy. The mailing of such notice shall be sufficient.

#### X. OTHER INSURANCE

If any **Loss** resulting from any **Claim** is insured under any other policies, this Policy shall apply only to the extent the **Loss** exceeds the amount paid under such other insurance whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written only as specific excess insurance over this Policy.

#### XI. APPLICATION

The **Named Entity Insureds** represent and acknowledge that the statements contained in the **Application** are true, are the basis of this Policy and are to be considered as incorporated into and constituting a part of this Policy, and shall be deemed material to the acceptance of this risk or the hazard assumed by the Insurer under this Policy. This Policy is issued in reliance upon the truth of such representations.

**XII. COORDINATION AMONG COVERAGE PARTS**

Should two or more **Coverage Parts** apply to the same **Loss**, the Insurer will not pay more than the actual **Loss** incurred by the **Named Entity Insureds**.

**XIII. COVERAGE FOR NEW SUBSIDIARIES**

1. If, after the effective date of this Policy, (i) **Named Entity**, or any **Subsidiary** creates or acquires an entity, or (ii) **Named Entity**, or any **Subsidiary** merges with another entity such that **Named Entity**, or any **Subsidiary** is the surviving entity, then such entity, and any subsidiaries, directors, officers, trustees or employees of such entity who otherwise would thereby become a **Named Entity Insured**, shall be covered under this Policy, subject to its terms and conditions, only if the Insurer, at its sole option, upon submission of such information as the Insurer may require and payment of any additional premium and/or amendment of the provisions of the Policy, agrees to provide coverage for such entity, subsidiaries, directors, officers or employees.
2. There shall be no coverage under the **Liability Coverage Part** for any **Wrongful Act** by such created, acquired or merged entity, or by any persons or entities considered to be **Named Entity Insureds** pursuant to Section XII.1 above, where such **Wrongful Act** occurred in whole or in part before the effective date of such acquisition or merger or for any **Wrongful Act** occurring on or after such date which, together with any **Wrongful Acts** occurring before such date, would be considered **Interrelated Wrongful Acts**. There is no coverage under the **Crime Coverage Part** (if included) for any event discovered prior to the effective date of such creation, merger or acquisition either by **Named Entity Insured**, or by the created, acquired or merged entity.

**XIV. CHANGE OF STATUS****1. Change in Status of Named Entity**

In the event of a **Change in Status** of **Named Entity**, coverage under this Policy shall continue until this Policy is otherwise terminated, but only with respect to **Wrongful Acts** occurring, or **Loss** under the **Crime Coverage Part** sustained, before the effective date of the **Change in Status**, unless (i) the Insurer is notified in writing of the **Change in Status** prior to the **Change in Status** effective date and agrees in writing to provide coverage for **Wrongful Acts** occurring, or **Crime Loss** sustained, on or after such effective date, and (ii) **Named Entity** accepts any special terms, conditions, exclusions or additional premium charge required by the Insurer.

**2. Cessation of Subsidiary**

If any organization ceases to be a **Subsidiary**:

- a. there shall be no coverage under the **Liability Coverage Part** for any **Wrongful Act** by such organization or any **Insured Person** of such organization occurring after the date such organization ceased to be a **Subsidiary**; and
- b. there shall be no coverage under the **Crime Coverage Part** (if included) for **Crime Loss** sustained by the **Subsidiary** after the date it ceased to be a **Subsidiary**.

**3. Transfer of a Plan**

If the sponsorship of a **Plan** is transferred so that **Named Entity**, or any **Subsidiary** is no longer the sole employer sponsor of such **Plan**, there shall be no coverage under the **Crime Coverage Part** (if included) for **Crime Loss** sustained by or with respect to such **Plan** after the date of such transfer.

**XV. SUBROGATION AND RECOVERY**

1. To the extent it pays any **Loss**, the Insurer shall be subrogated to all the **Named Entity Insureds'** rights of recovery therefor. The **Named Entity Insureds** shall execute all papers necessary to secure such rights, including executing any documents necessary to enable the Insurer effectively to bring suit in their name, and shall not act or fail to act in any way that impairs the Insurer's rights of subrogation or recovery.
2. If a **Loss** is in part insured and in part uninsured under this Policy or is in an amount in excess of the applicable limit of liability, the **Named Entity Insureds** and the Insurer shall attempt to agree upon an equitable allocation of any recoveries made, whether before or after payment of the **Loss** by the Insurer, from any person or source responsible for causing the **Loss**. Reasonable expenses incurred in making a recovery shall always have priority of payment from all such recoveries. If, after exerting their best efforts, the **Named Entity Insureds** and the Insurer are unable to agree upon such an allocation after taking into account due consideration for the respective parties' willingness to pay the expenses of making any recovery, the Insurer, if requested by the **Named Entity Insureds**, shall submit the dispute to binding arbitration. The rules of the American Arbitration Association shall apply with respect to the selection of the arbitration panel, which shall consist of one arbitrator selected by the **Named Entity Insureds**, one arbitrator selected by the Insurer, and a third independent arbitrator selected by the first two arbitrators.
3. In no event shall the **Named Entity Insureds** be entitled to recoup from recoveries any amount to satisfy any retention until after all amounts which the Insurer is required to pay or pays under any applicable **Coverage Part** are reimbursed to the Insurer.
4. Any allocation of recoveries for purposes of this Section **XV** shall not change any provisions dealing with calculation of insured **Crime Loss** under the **Crime Coverage Part**.

**XVI. CHANGES**

Notice to or knowledge possessed by any agent or other person acting on behalf of the Insurer shall not effect a waiver or a change in any part of this Policy or stop the Insurer from asserting any right under the provisions of this Policy, nor shall the provisions be waived or changed except by written endorsement issued to form a part of this Policy.

**XVII. NAMED ENTITY AUTHORIZATION**

1. The **Named Entity Insureds** agree that **Named Entity** will act on behalf of the **Named Entity Insureds** with respect to giving of all notice to the Insurer (except notices provided in Section VII.1 or 2), the receipt of notices from the Insurer, the payment of the premiums, the receipt of any return premiums that may become due under this Policy, and the acceptance of endorsements.
2. Payment of **Crime Loss** covered under the **Crime Coverage Part** to **Named Entity** shall discharge the Insurer from all further obligations under the **Crime Coverage Part** with respect to such **Crime Loss**, regardless of which **Named Entity Insured** sustained the **Crime Loss**.

**XVIII. NO ACTION AGAINST INSURER**

1. No action shall be taken against the Insurer unless, as a condition precedent, there shall have been full compliance with all the provisions of this Policy nor until the amount of the **Named Entity Insureds'** obligation to pay shall have been finally determined either by final and nonappealable judgment against the **Named Entity Insureds** after trial or by written agreement of the **Named Entity Insureds**, the claimant and the Insurer.

2. No person or organization shall have any right under this Policy to join the Insurer as a party to any **Liability Claim** against the **Named Entity Insureds** to determine the **Named Entity Insureds'** liability, nor shall the Insurer be impleaded by the **Named Entity Insureds** or their legal representatives in any such **Liability Claim**.
3. Legal proceedings for the recovery of any **Loss** claimed under the **Crime Coverage Part** shall not be brought prior to the expiration of 90 days after proof of loss was received by the Insurer nor more than two years after the loss was discovered.

#### **XIX. ASSIGNMENT OF INTEREST**

Assignment of interest under this Policy shall not bind the Insurer unless its consent is endorsed to this Policy.

#### **XX. TERRITORY**

Coverage shall apply solely to **Claims** brought and maintained entirety within and subject to the laws of the United States of America or any territory, possession, state, province or subdivision thereof.

#### **XXI. ENTIRE AGREEMENT**

The **Named Entity Insureds** agree that this Policy, consisting of the **Application**, the **Coverage Parts**, and all endorsements listed in the Declarations, constitute the entire contract existing between them and the Insurer or any of its agents relating to this insurance.

#### **XXII. ECONOMIC AND TRADE SANCTIONS**

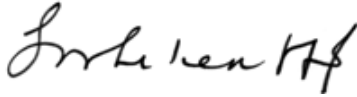
In accordance with laws and regulations of the United States concerning economic and trade embargoes, this policy is void from its inception with respect to any term or condition of this policy that violates any laws or regulations of the United States concerning economic and trade embargoes including, but not limited to the following:

1. Any **Named Entity Insured**, or any person or entity claiming the benefits of a **Named Entity Insured**, who is or becomes a Specially Designated National or Blocked Person or who is otherwise subject to U.S. economic or trade sanctions;
2. Any **Claim** that is brought in a Sanctioned Country or by a Sanctioned Country Government, where any action in connection with such **Claim** is prohibited by U.S. economic or trade sanctions;
3. Any **Claim** that is brought by any Specially Designated National or Blocked Person or any person or entity who is otherwise subject to U.S. economic or trade sanctions;
4. Property that is located in a Sanctioned Country or that is owned by, rented to or in the care, custody or control of a Sanctioned Country Government, where any activities related to such property are prohibited by U.S. economic or trade sanctions; or
5. Property that is owned by, rented to or in the care, custody or control of a Specially Designated National or Blocked Person, or any person or entity who is otherwise subject to U.S. economic or trade sanctions.

As used in this Policy, a Specially Designated National or Blocked Person is any person or entity that is on the list of Specially Designated Nationals and Blocked Persons issued by the U.S. Treasury Department's Office of Foreign Asset Control (O.F.A.C.) as it may be from time to time amended.

As used in this Policy, a Sanctioned Country is any country that is the subject of trade or economic embargoes imposed by the laws or regulations of the United States of America.

IN WITNESS WHEREOF, the Insurer has caused this Policy to be signed by its Chairman and Secretary at Chicago, Illinois, but the same shall not be binding upon the Insurer unless countersigned by a duly authorized representative of the Insurer.



Chairman



Secretary



**I. INSURING AGREEMENT**

The Insurer shall pay all **Loss** resulting from any **Claim** first made against any **Named Entity, Subsidiary, Insured Person** or **Property Manager** during the **Policy Period** or the Extended Reporting Period, if applicable, for a **Wrongful Act** committed, attempted, or allegedly committed or attempted, by such **Named Entity Insured** before or during the **Policy Period**.

**II. DEFINITIONS**

For purposes of coverage under this **Coverage Part**:

1. **Claim** means:
  - a. a written demand for monetary damages or nonmonetary relief against a **Named Entity Insured** for a **Wrongful Act**;
  - b. a civil, criminal, or administrative adjudicatory proceeding against a **Named Entity Insured** for a **Wrongful Act**, including any appeal therefrom; or
  - c. a proceeding before the United States Equal Employment Opportunity Commission or any similar state, local or territorial governmental agency, against a **Named Entity Insured** for a **Wrongful Act** which is a **Wrongful Employment Practice**.
2. **Construction Defect** means any alleged or actual defective, faulty or delayed construction or any other matter recognized as a construction defect under applicable common or statutory law, whether or not as a result of (i) faulty or incorrect design or architectural plans, (ii) improper soil testing, (iii) inadequate or insufficient protection from subsoil, ground water or earth movement or subsidence, (iv) the construction, manufacture or assembly of any tangible property, (v) the failure to provide construction related goods or services as represented or to pay for such goods or services, or (vi) the supervision of such activities.
3. **Insured Persons** means all past, present or future duly elected or appointed directors, officers, trustees, employees (including full time, part time, seasonal, temporary, leased or loaned employees), or committee members of **Named Entity** or any **Subsidiary**; volunteers acting on behalf of and at the specific direction of the **Named Entity** or any **Subsidiary**; or **Property Manager Employees**.
4. **Loss** means damages, settlements, judgments (including any award of pre-judgment and post-judgment interest) and **Defense Costs** for which the **Named Entity Insureds** are legally obligated to pay on account of a covered **Claim**. **Loss** shall not include:
  - a. criminal or civil fines or penalties imposed by law;
  - b. taxes;
  - c. any amounts for which there is no legal recourse against the **Named Entity Insureds**; or
  - d. matters which are uninsurable under the law pursuant to which this Policy is construed.

**Loss** shall include punitive, exemplary or multiple damages, if insurable, to the fullest extent permitted by any applicable law.
5. **Publishers' Wrongful Act** means a **Wrongful Act** that is:
  - a. copyright, trademark, trade name, trade dress or service mark infringement;
  - b. unauthorized use of title;
  - c. plagiarism; or
  - d. misappropriation of ideas.

6. **Property Manager Services** means the following services provided by the **Property Manager** for **Named Entity** for a fee:
- a. development and implementation of management plans and budget;
  - b. oversight of physical maintenance of property;
  - c. solicitation, evaluation and securing of tenants and management of tenant relations, collection of rent and processing evictions;
  - d. development, implementation and management of loss control and risk management plans for real property;
  - e. development, implementation and management of contracts and subcontracts (excluding property and liability insurance contracts) necessary to the daily functioning of the property;
  - f. feasibility studies and recommendations regarding maintenance, repairs, renovations or alterations of managed premises, provided said maintenance, repairs, renovation or alterations do not involve the services of an architect; and
  - g. personnel administration and record keeping, including tax filings, in connection with a managed property.
7. **Specified Peril** means aircraft or self propelled missiles; explosion; fire; lightning; flood, surface water, waves, tidal water, overflow of a body of water or spray from any of the foregoing, even if driven by wind; hail; leakage from fire equipment; mechanical breakdown; smoke; soil, subsoil or earth movement or subsidence, whether by earthquake, landslide, mudslide, volcanic eruption or other natural or man-made causes; or wind.
8. **Wrongful Act** means any actual or alleged error, misstatement, misleading statement, act, omission, neglect or breach of duty committed or attempted by:
- a. the **Insured Persons** in their capacity as such, or any matter claimed against the **Insured Person** solely by reason of serving in such capacity;
  - b. any **Named Entity** or **Subsidiary**; or
  - c. a **Property Manager**, but solely in the capacity as a **Property Manager** performing **Property Manager Services**,
- including but not limited to any **Publishers' Wrongful Act**, any **Wrongful Employment Practice**, and any **Wrongful Personal Injury**.
9. **Wrongful Employment Practice** means any **Wrongful Act** constituting or relating to:
- a. wrongful dismissal or discharge or termination of employment, whether actual or constructive;
  - b. employment-related misrepresentation;
  - c. violation of any federal, state or local laws (whether common-law or statutory) concerning employment or discrimination in employment, including the Americans with Disabilities Act of 1992, the Civil Rights Act of 1991, the Age Discrimination in Employment Act of 1967, Title VII of the Civil Rights Act of 1964 and the Civil Rights Act of 1866;
  - d. sexual harassment or other unlawful harassment in the work place;
  - e. wrongful deprivation of career opportunity or failure to employ or promote;
  - f. wrongful discipline of employees;
  - g. retaliation against employees for the exercise of any legally protected right or for engaging in any legally protected activity;

- h. negligent evaluation of employees;
  - i. failure to adopt adequate workplace or employment policies and procedures;
  - j. employment-related defamation or invasion of privacy; or
  - k. employment-related wrongful infliction of emotional distress
10. **Wrongful Personal Injury** means a **Wrongful Act** of:
- a. false arrest, wrongful detention or imprisonment;
  - b. malicious prosecution;
  - c. libel, slander or other defamation;
  - d. publication or an utterance in violation of an individual's right to privacy;
  - e. wrongful entry or eviction, or other invasion of the right to private occupancy; or
  - f. discrimination, other than employment related discrimination.

### III. EXCLUSIONS

1. Exclusions Applicable to all Loss

The Insurer shall not be liable to pay any **Loss** in connection with any **Claim**:

- a. based upon, directly or indirectly arising out of, or in any way involving any:
  - (1) actual or alleged bodily injury, sickness, disease, emotional distress, mental anguish or death of any person (except employment-related wrongful infliction of emotional distress in a **Claim** for a **Wrongful Employment Practice**);
  - (2) actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, growth or presence of **Fungi** or **Microbes**; or the actual, alleged or threatened failure to detect, report, test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, remediate, dispose of or in any way respond to, assess the effects of or advise of the existence of any **Fungi** or **Microbes**. This exclusion applies regardless of any other cause or event that contributes concurrently or in any sequence to the **Losses** claimed;
  - (3) **Construction Defect**;
  - (4) **Specified Peril** (except that part of **Loss** which constitutes **Defense Costs** in a **Claim** for such **Specified Peril**); or
  - (5) damage to tangible property; loss of use or view, or destruction or deterioration of any tangible property; or failure to supervise, repair or maintain tangible property. However, this exclusion shall not apply to that part of **Loss** which constitutes **Defense Costs** in **Claims** for (a) decisions by the board of the **Named Entity** or any committee thereof to impose assessments upon residents, unit owners or members of the **Named Entity**; or (b) decisions of the board of the **Named Entity** in approving or rejecting the request to make physical changes to tangible property, but in no event decisions relating to the execution or quality of such physical changes;
- b. based upon, directly or indirectly arising out of, or in any way involving:
  - (1) any **Wrongful Act** or any matter, fact, circumstance, situation, transaction, or event which has been the subject of any notice given under any prior policy, in whole or in part, regardless of whether such prior policy affords coverage; or

- (2) any other **Wrongful Act** whenever occurring, which, together with a **Wrongful Act** described in (1) above, would constitute **Interrelated Wrongful Acts**;
- c. based upon, directly or indirectly arising out of, or in any way involving or constituting any civil, criminal, administrative or regulatory proceeding, investigation or arbitration against any of the **Named Entity Insureds**:
- (1) pending prior to the applicable Prior or Pending Date set forth in the Coverage Schedule of the Declarations; or
- (2) which has been the subject of any notice given under any prior policy, regardless whether such prior policy affords coverage for such proceeding, investigation, or arbitration;
- or any fact, circumstance, situation, transaction or event underlying or alleged in such proceeding, investigation or arbitration;
- d. based upon, directly or indirectly arising out of, or in any way involving: any nuclear reaction, radiation or contamination, or any actual, alleged or threatened discharge, release, escape, or disposal of, or exposure to, **Pollutants**; any request, direction or order that any of the **Named Entity Insureds** test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to or assess the effect of **Pollutants** or nuclear reaction, radiation or contamination, or any voluntary decision to do so; or any actual or alleged property damage, or bodily injury, sickness, disease or death of any person, or financial loss to **Named Entity** or any **Subsidiary**, their security holders, or their creditors resulting from any of the aforementioned matters; provided however, this exclusion shall not apply to any **Claim** for retaliatory treatment of the claimant by the **Named Entity Insureds** on account of the claimant's actual or threatened disclosure of the matters described in this exclusion;
- e. for any **Wrongful Act** by **Insured Persons** in the discharge of their duties in their capacities, or solely by reason of their status, as directors, officers, trustees, regents, governors or employees of any entity other than **Named Entity**, any **Subsidiary** or the **Property Manager**, even if directed or requested by **Named Entity**, any **Subsidiary** or the **Property Manager** to serve as directors, officers, trustees, regents, governors or employees of such other entity;
- f. where it is established in a final adjudication by the judge, jury or arbitrator in such **Claim** that such **Named Entity Insured** gained any profit, remuneration or pecuniary advantage to which they were not legally entitled. For purposes of determining the applicability of this exclusion, the **Wrongful Act** of an **Insured Person** shall not be imputed to any other **Insured Person**, and only facts pertaining to and knowledge possessed by an **Executive Officer** shall be imputed to the **Named Entity**, any **Subsidiary** or **Property Manager** for the purpose of determining if coverage is available;
- g. where it is established in a final adjudication by the judge, jury or arbitrator in such **Claim** that such **Named Entity Insured** committed any fraudulent or criminal **Wrongful Act** with actual knowledge of its wrongful nature or with intent to cause damage. For purposes of determining the applicability of this exclusion, the **Wrongful Act** of an **Insured Person** shall not be imputed to any other **Insured Person**, and only facts pertaining to and knowledge possessed by an **Executive Officer** shall be imputed to the **Named Entity**, any **Subsidiary** or **Property Manager** for the purpose of determining if coverage is available;
- h. based upon, directly or indirectly arising out of, or in any way involving a lockout, strike, picket line, replacement or other similar actions resulting from labor disputes or labor negotiations, or the Workers' Adjustment and Retraining Notification Act, Public Law 100-379 (1988), or any amendment thereto, or any similar federal, state, local or common law;

- i. based upon, directly or indirectly arising out of, or in any way involving any actual or alleged violation of (i) **ERISA or any Similar Act**; (ii) any law governing workers' compensation, unemployment insurance, social security, disability or similar law, (iii) the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), (iv) the Fair Labor Standards Act (except the Equal Pay Act), (v) the National Labor Relations Act, (vi) the Occupational Safety and Health Act of 1970 (OSHA), or (vii) any similar federal, state or local law. However, this exclusion shall not apply to any **Claim** for retaliatory treatment of the claimant by the **Named Entity Insureds** on account of claimant's exercise of a right pursuant to any such laws;
- j. by or derivatively on behalf of the **Named Entity** or any **Subsidiary**;
- l. for:
  - (1) any **Wrongful Act** by **Insured Persons** of any **Subsidiary** occurring before the date such entity became a **Subsidiary**, or
  - (2) any other **Wrongful Act** whenever occurring, which, together with a **Wrongful Act** described in (1) above, would constitute **Interrelated Wrongful Acts**;
- m. for:
  - (1) a **Named Entity Insured's** actual or alleged liability under any oral or written contract or agreement, including but not limited to express warranties or guarantees. Provided, however, that this exclusion shall not apply to any **Claim** for liability under an employment contract;
  - (2) liability of others assumed by the **Named Entity Insured** under any oral or written contract or agreement,  
  
except that coverage otherwise available to a **Named Entity Insured** shall apply to such **Named Entity Insured's** liability that exists in the absence of such contract or agreement; or
- n. made against any of the **Insureds** in their capacity as sponsors, builders or developers of the **Named Entity**, or based upon, directly or indirectly arising out of, or in any way involving any actual or alleged misconduct of a sponsor, builder or developer of the **Named Entity**, including but not limited to actual or alleged conflict of interest, self-dealing, or disputes concerning conversion, construction or development.

2. Exclusions Applicable to **Loss** other than **Defense Costs**

The Insurer shall not be liable to pay that portion of **Loss**, other than **Defense Costs**, which constitutes:

- a. the cost of any non-monetary relief, including without limitation any costs associated with any injunctive relief of any kind or nature imposed by any judgment or settlement;
- b. the costs associated with providing any reasonable accommodations required by, made as a result of, or to conform with the requirements of, the Americans With Disabilities Act and any amendments thereto or any similar federal, state or local statute, regulation, or common laws;
- c. medical or insurance benefits to which the claimant allegedly was entitled or would have been entitled had **Named Entity** or any **Subsidiary** provided the claimant with a continuation or conversion of insurance; or
- d. **Loss** arising out of the failure to maintain or effect insurance.

3. Exclusions Applicable to **Property Manager**

The Insurer shall not be liable to pay any **Loss** of the **Property Manager** based upon, directly or indirectly arising out of, or in any way involving:

- a. the commingling, misappropriation or improper use of, or failure to pay, collect, or safeguard funds;
- b. advice as to property value;
- c. the transfer or failure to transfer funds;
- d. notarization certification or acknowledgment of a signature;
- e. any cease and desist order; or
- f. the failure to give timely notice of claim or loss under any insurance policy
- g. any **Claim** brought by or derivatively on behalf of the **Named Entity Insured** against a **Property Manager** or a **Property Manager Employee**.

**NETWORK RISK AND PRIVACY CLAIM ENDORSEMENT**

It is understood and agreed that the **Association Liability Coverage Part**, the Section entitled **DEFINITIONS**, is amended as follows:

I. The definition of **Claim** is amended to include the following:

**Claim** also includes **Privacy and Network Damage Claims**.

II. Solely with respect to the coverage provided by this endorsement, the following definitions are added:

**Electronic Infection** means the transmission of a computer virus to a **Network**.

**Network** means a party's local or wide area network owned or operated by or on behalf of or for the benefit of that party; provided, however, **Network** shall not include the Internet, telephone company networks, or other public infrastructure networks.

**Non-public Personal Information** means personal information not available to the general public from which an individual may be identified, including without limitation, an individual's name, address, telephone number, social security number, account relationships, account numbers, account balances, and account histories.

**Privacy and Network Damage Claim** means a **Claim** alleging that:

- a. a third party suffered **Privacy Injury or Identity Theft**; or
- b. the **Named Entity's Network** sustained a **Security Breach** or **Electronic Infection** that caused a third party to suffer **Privacy Injury or Identity Theft**.

**Privacy Injury or Identity Theft** means any unauthorized disclosure of, inability to access, or inaccuracy with respect to, **Non-public Personal Information** in violation of any federal, state, foreign or other law, statute or regulation governing the confidentiality, integrity or accessibility of **Non-public Personal Information**, including but not limited, to the Health Insurance Portability and Accountability Act of 1996, Gramm-Leach-Bliley Act, Children's Online Privacy Protection Act, or the EU Data Protection Act.

**Security Breach** means the failure of the **Named Entity's Network** hardware, software, firmware, the function or purpose of which is to protect against computer viruses.

III. This endorsement shall not be construed to increase the Limits of Liability of this Policy.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

Must be Completed
Endorsement No.: 1 Policy No.: 618924281

Complete Only When This Endorsement Is Not Prepared with the Policy <u>or</u> is Not to be Effective with the Policy.
Issued To: Vintage Grove Homeowners Association, Inc. Effective Date Of This Endorsement: 08/03/2021

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Authorized Representative

**PRIVACY EVENT EXPENSE ENDORSEMENT**

It is understood and agreed that the **Association Liability Coverage Part** is amended as follows:

- I. The section entitled **INSURING AGREEMENT** is amended to add the following

**PRIVACY EVENT EXPENSE**

The Insurer will reimburse the **Named Entity** for **Privacy Event Expenses**, up to the limit of liability in the amount of \$100,000, that it incurs to directly respond to a **Privacy Event** first discovered during the **Policy Period**; provided, however, that all **Privacy Event Expenses** must be:

- a. reported to the Insurer as soon as reasonably practicable after the **Insured Persons** learn of such **Privacy Event** but in no event later than ten (10) days after termination or expiration of the **Policy Period**;
- b. incurred within twelve months following the date that the **Named Entity Insured** reports the **Privacy Event**; and,
- c. consented to in writing by the Insurer (such consent not to be unreasonably withheld).

All **Related Events** will be considered as having been made at the time the first **Privacy Event** is made.

The Limit of Liability stated above shall be a part of, and not in addition to, the Limit of Liability set forth on the Declarations for the Association Liability Coverage Part.

- II. Solely with respect to the coverage provided by this endorsement, the section entitled **DEFINITIONS** is amended to add the following

**Nonpublic Corporate Information** means proprietary and confidential information, including trade secrets, of a third-party entity.

**Nonpublic Personal Information** means personal information not available to the general public from which an individual may be identified, including without limitation, an individual's name, address, telephone number, social security number, account relationships, account numbers, account balances, and account histories.

**Privacy Event** means any event or series of events or **Related Events** which in the reasonable opinion of any director or officer of the **Named Entity Insured** did cause or is reasonably likely to result in the disclosure or unauthorized use of **Protected Information** in the **Named Entity Insured's** care or custody.

**Privacy Event Expenses** means all reasonable and necessary fees, costs and expenses incurred by the **Named Entity Insured** and consented to by the Insurer:

- A. to provide voluntary notification to individuals or entities whose **Protected Information** may have been subject to a **Privacy Event**;
- B. to directly effect compliance with a **Security Breach Notice Law** including notification to individuals or entities who are required to be notified;
- C. to hire a computer forensics firm to investigate the existence and cause of a **Privacy Event** and to determine the extent such **Protected Information** has been or may have been disclosed;
- D. to hire an attorney or expert to negotiate with regulators and determine the applicability of and the actions necessary to comply with **Security Breach Notice Laws** after a **Privacy Event**;
- E. to minimize harm to the **Named Entity Insured's** reputation from a **Privacy Event**, including but not limited to the costs to set up a call center or provide a credit monitoring service for those impacted by a **Privacy Event**;
- F. to remediate any deficiencies that gave rise to the **Privacy Event**.

**Protected Information** means **Nonpublic Corporate Information** or **Nonpublic Personal Information**.



**Related events** mean all **Privacy Events** that are logically or causally connected by any common fact, circumstance, situation, transaction, event, advice or decision.

**Security Breach Notice Law** means any statute or regulation that requires an entity that maintains **Protected Information** to provide notice of a **Privacy Event** to specified individuals of any actual or potential unauthorized disclosure or potential disclosure of such **Protected Information**.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

Must be Completed
Endorsement No.: 2 Policy No.: 618924281

Complete Only When This Endorsement Is Not Prepared with the Policy <u>or</u> is Not to be Effective with the Policy.
Issued To: Vintage Grove Homeowners Association, Inc. Effective Date Of This Endorsement: 08/03/2021

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Authorized Representative

AMEND CLAIMS BY INSURED EXCLUSIONS ENDORSEMENT

It is understood and agreed as follows:

- I. The Section of the Association Liability Coverage Part entitled EXCLUSIONS is amended as follows:
A. The subsection entitled Exclusions Applicable to All Loss, Exclusion j., is deleted in its entirety.
B. The subsection entitled Exclusions Applicable to Property Manager, Exclusion g., is deleted in its entirety and replaced by the following:
any Claim brought by or derivatively on behalf of the Named Entity against a Property Manager or a Property Manager Employee.
II. The Section of the General Terms & Conditions entitled NAMED ENTITY AUTHORIZATION, paragraph 1., is amended by the addition of the following:
Notwithstanding anything to the contrary in the Policy, in the event of a Claim brought by or on behalf of the Named Entity or any Subsidiary, the Named Entity is not authorized to give notice of such Claim to the Insurer or to receive any notice from the Insurer in connection with such Claim, unless the Claim was asserted against the Named Entity.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

Table with 1 column: Must be Completed. Rows: Endorsement No.: 3, Policy No.: 618924281

Table with 1 column: Complete Only When This Endorsement Is Not Prepared with the Policy or is Not to be Effective with the Policy. Rows: Issued To: Vintage Grove Homeowners Association, Inc., Effective Date Of This Endorsement: 08/03/2021

Authorized Representative

**WAGE AND HOUR LAW CLAIMS DEFENSE COSTS COVERAGE ENDORSEMENT**

It is understood and agreed as follows:

I. The **Association Liability Coverage Part** is amended as follows:

A. The Section entitled **DEFINITIONS** is amended by the addition of the following new Definitions:

- **Wage and Hour Law Claim** means any **Claim** alleging violation of a **Wage and Hour Law**.
- **Wage and Hour Law** means those provisions of a state or local law or any federal law (including the applicable provisions of the Fair Labor Standards Act other than the Equal Pay Act) or any state, local or federal regulations governing the payment of wages (including but not limited to the payment of overtime, on-call time, rest periods minimum wages) or the classification of employees for the purpose of determining employees' eligibility for compensation or other benefits.

B. The Section entitled **EXCLUSIONS**, the Subsection entitled Exclusions Applicable to all **Loss**, Exclusion i., is deleted in its entirety and replaced by the following:

based upon, directly or indirectly arising out of, or in any way involving any actual or alleged violation of (i) **ERISA or any Similar Act**; (ii) any law governing workers' compensation, unemployment insurance, social security, disability or similar law, (iii) the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), (iv) the National Labor Relations Act, (v) the Occupational Safety and Health Act of 1970 (OSHA), or (vi) any similar federal, state or local law. However, this exclusion shall not apply to any **Claim** for retaliatory treatment of the claimant by the **Named Entity Insureds** on account of claimant's exercise of a right pursuant to any such laws;

C. The Section entitled **EXCLUSIONS**, the Subsection entitled Exclusions Applicable to **Loss** other than **Defense Costs**, is amended by the addition of the following new exclusion:

- The Insurer shall not be liable under this **Coverage Part** to pay that portion of **Loss**, other than **Defense Costs**, which constitutes damages based upon or arising out of any **Wage and Hour Law**. The Insurer will pay all **Defense Costs** associated with any **Wage and Hour Law Claim** subject to the **Wage and Hour Law Claim** Limit of Liability set forth in paragraph II. of this Endorsement, and the Insurer shall provide the **Named Entity Insured** with a defense of such **Wage and Hour Law Claims**. Such defense will not waive any of the Insurer's rights under this Policy. Notwithstanding anything to the contrary herein, there is no coverage under this **Liability Coverage Part** for any actual or alleged violation of a **Wage and Hour Law** if any **Executive Officer**, any supervisory employee of the **Named Entity, Subsidiary or Property Manager** or any employee within the human resources or risk management department of the **Named Entity, Subsidiary or Property Manager** was aware of the violations of the **Wage and Hour Law** prior to the inception date of this Policy.

II. The Section of the General Terms & Conditions entitled **LIMIT OF LIABILITY/RETENTIONS** is amended to add the following new paragraphs:

- **Wage and Hour Law Claims Defense Costs** Only Limit of Liability

Subject to the applicable Retention, if any, and the Insurer's maximum aggregate Limit of Liability under the **Liability Coverage Part**, the amount of:

\$100,000

shall be the maximum Aggregate Limit of Liability of the Insurer for all **Defense Costs** under the Policy in connection with **Wage and Hour Law Claims**, regardless of the number of **Wage and Hour Law Claims**, made against a **Named Entity Insured**. This amount is a sublimit of liability which further reduces, and in no way increases, the Scheduled Limit of Liability for the **Liability Coverage Part** as stated in the Declarations.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

Must be Completed
Endorsement No.: 4 Policy No.: 618924281

Complete Only When This Endorsement Is Not Prepared with the Policy <u>or</u> is Not to be Effective with the Policy.
Issued To: Vintage Grove Homeowners Association, Inc. Effective Date Of This Endorsement: 08/03/2021

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Authorized Representative

OUTSIDE DIRECTOR ENDORSEMENT

It is understood and agreed that the Policy is amended as follows:

- I. The Section of the Association Liability Coverage Part entitled EXCLUSIONS, the Subsection entitled Exclusions Applicable to all Loss, Exclusion e., is deleted in its entirety and replaced by the following:

for any Wrongful Act by Insured Persons in the discharge of their duties in their capacities, or solely by reason of their status, as directors, officers, trustees, regents, governors or employees of any entity other than Named Entity, any Subsidiary or the Property Manager, even if directed or requested by Named Entity, any Subsidiary or the Property Manager to serve as directors, officers, trustees, regents, governors or employees of such other entity; provided, however, that this exclusion does not apply to Insured Persons representing the Named Entity on other community association boards, joint councils, master associations or sub associations, provided that such entities are not-for-profit;

- II. Solely with respect to the coverage provided by this endorsement, the General Terms & Conditions, the Section entitled OTHER INSURANCE, is amended by the addition of the following:

Any coverage under this Policy for Claims against any Insured Person representing the Named Entity on other community association boards, joint councils, master associations or other related associations shall be specifically excess of any valid and collectible insurance and/or indemnification available to such Insured Person from such board, council or association.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

Table with 1 column and 2 rows: Must be Completed, Endorsement No.: 5, Policy No.: 618924281

Table with 1 column and 2 rows: Complete Only When This Endorsement Is Not Prepared with the Policy or is Not to be Effective with the Policy, Issued To: Vintage Grove Homeowners Association, Inc., Effective Date Of This Endorsement: 08/03/2021

Authorized Representative

**SUPPLEMENTARY PAYMENT – DEFENDANT REIMBURSEMENT ENDORSEMENT**

It is understood and agreed that the **Association Liability Coverage Part** is amended by the addition of the following Supplementary Payment:

- **Supplementary Payment - Defendant Reimbursement**

If the Insurer requests an **Insured Person’s** presence at a trial, hearing, deposition, mediation or arbitration, the Insurer will pay up to \$250.00 a day per person for reimbursement of lost wages, subject to a maximum amount of \$2,500 per **Claim** per **Policy Period**. Such payments are in addition to the limits of liability and do not erode any retention.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

Must be Completed
Endorsement No.: 6
Policy No.: 618924281

Complete Only When This Endorsement Is Not Prepared with the Policy <u>or</u> is Not to be Effective with the Policy.
Issued To: Vintage Grove Homeowners Association, Inc.
Effective Date Of This Endorsement: 08/03/2021

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Authorized Representative

DEFENSE COSTS OUTSIDE THE LIMITS ENDORSEMENT

It is understood and agreed that the Policy is amended as follows:

- I. The third paragraph of the Notice on the Declarations is deleted in its entirety.
II. Item 5. of the Declarations, the Column entitled SCHEDULED LIMITS OF LIABILITY, is amended to read as follows: SCHEDULED LIMITS OF LIABILITY (exclusive of Defense Costs)
III. The General Terms & Conditions, the Section entitled LIMIT OF LIABILITY/RETENTIONS, the paragraph entitled Limit of Liability is amended as follows:
A. The following new paragraph is added:
• Defense Costs
Defense Costs are in addition to the limits of liability.
B. The following parenthetical is added in every instance where the defined term Liability Loss or Loss (other than when used in the defined term Crime Loss) appears: (other than Defense Costs)
IV. The General Terms & Conditions, the Section entitled DEFENSE AND SETTLEMENT OF LIABILITY CLAIMS, is amended as follows:
A. The subsection entitled Defense of Claims is deleted in the entirety and replaced by the following:
Defense of Claims
The Insurer has the right and duty to defend all Liability Claims, even if the allegations are groundless, false or fraudulent. The Insurer shall have the right to appoint counsel and to make such investigation and defense of a Liability Claim as it deems necessary. The Insurer's obligation to defend any Liability Claim or pay any Liability Loss shall be completely fulfilled and extinguished if the limit of liability has been exhausted by payment of Liability Loss.
B. The subsection entitled Settlement is deleted in its entirety and replaced by the following:
Settlement
The Insurer shall not settle a Liability Claim without the consent of the Named Entity Insureds, other than any Property Manager, which consent shall not be unreasonably withheld. If the Named Entity Insureds, other than any Property Manager, unreasonably refuse to consent to a settlement or compromise recommended by the Insurer, and acceptable to the claimant, then the applicable limit of liability under this Policy shall be reduced to the amount for which the Liability Claim could have been settled.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

Table with 1 column: Must be Completed. Rows: Endorsement No.: 7, Policy No.: 618924281

Table with 1 column: Complete Only When This Endorsement Is Not Prepared with the Policy or is Not to be Effective with the Policy. Rows: Issued To: Vintage Grove Homeowners Association, Inc., Effective Date Of This Endorsement: 08/03/2021

Authorized Representative



**PUBLIC RELATIONS EVENT EXPENSES ENDORSEMENT**

It is understood and agreed that the **Association Liability Coverage Part** is amended as follows:

**A.** The following is added as a Supplementary Payment:

- **Public Relations Event Expenses**

The Insurer will reimburse the **Named Entity** up to \$15,000 per **Public Relations Event**, subject to a maximum of \$50,000 per **Policy Period**, for reasonable **Public Relations Expenses** incurred by the **Named Entity** for advisory services provided by a public relations firm to the **Named Entity** as a result of a **Public Relations Event** which occurs during the **Policy Period**.

**B.** The Section entitled **DEFINITIONS** is amended by the addition of the following new Definitions:

- **Public Relations Event** means:

- A. departure, incapacitation, illness or death of an **Executive Officer** or association board member of the **Named Entity**;
- B. the **Named Entity's** dissolution for any reason other than bankruptcy; or
- C. violent act, kidnapping, sexual assault, criminal firearm use or workplace accident resulting in negative local or national media coverage of the **Named Entity**.

- **Public Relations Expenses** means reasonable fees and expenses incurred by the **Named Entity** for advisory services provided by a public relations firm to the **Named Entity** for up to 60 days following a **Public Relations Event**.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

Must be Completed
Endorsement No.: 8 Policy No.: 618924281

Complete Only When This Endorsement Is Not Prepared with the Policy <u>or</u> is Not to be Effective with the Policy.
Issued To: Vintage Grove Homeowners Association, Inc. Effective Date Of This Endorsement: 08/03/2021

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Authorized Representative



UNLIMITED EXTENDED REPORTING PERIOD ENDORSEMENT FOR PAST DIRECTORS OR OFFICERS

Solely with respect to the Association Liability Coverage Part, it is understood and agreed that the General Terms & Conditions, the Section entitled EXTENDED REPORTING PERIOD/DISCOVERY, is amended as follows:

I. The following new paragraph is added:

If the Named Entity cancels or non-renews this Policy, other than as a result of a takeover, an Insured Person who is a past director or officer of the Named Entity, but was not serving in such capacity at the time the Policy was cancelled or non-renewed, shall have, at no additional charge, an unlimited period in which to report Claims, but only with respect to Claims first made against such Insured Person after the date of such cancellation or non-renewal arising out of Wrongful Acts which occurred prior to the date of cancellation or non-renewal; provided, however, that such unlimited period shall not apply to any Claim arising out of a Wrongful Employment Practice made against such Insured Person if such Insured Person was not a director or officer of the Named Entity at the time such Wrongful Employment Practice occurred.

This period shall be referred to as the unlimited Extended Reporting Period.

Further, there shall be no coverage for any Claim otherwise covered under this endorsement if any other policy of insurance which is a renewal, replacement or extension (including run-off) of this Policy, covering such Insured Person, is in effect at the time the Claim is made, whether or not such policy affords coverage for such Claim.

II. Paragraph 5. is deleted in its entirety and replaced by the following:

There is no separate or additional limit for the automatic, optional or unlimited Extended Reporting Period.

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy.

Table with 1 column: Must be Completed. Rows: Endorsement No.: 9, Policy No.: 618924281

Table with 1 column: Complete Only When This Endorsement Is Not Prepared with the Policy or is Not to be Effective with the Policy. Rows: Issued To: Vintage Grove Homeowners Association, Inc., Effective Date Of This Endorsement: 08/03/2021

Authorized Representative

**CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM  
ENDORSEMENT**

**SCHEDULE**

Solely with respect to any Coverage Part set forth in the Schedule, it is understood and agreed as follows:

Whenever used in this endorsement, 1) "we" means the insurer listed on the policy declarations page; and 2) "you" means the Named Insured listed on the policy declarations page.

**A. Cap on Certified Terrorism Losses**

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism pursuant to the Terrorism Risk Insurance Act, as extended and reauthorized (the "Act"). The criteria contained in the Act for a "certified act of terrorism" include the following:

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

If aggregate insured losses attributable to terrorist acts certified under the Act exceed \$100 billion in a calendar year (January 1 through December 31) and we have met our insurer deductible under the Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

**B. Application of Exclusions**

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

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

Must be Completed
Endorsement No.: 10 Policy No.: 618924281

Complete Only When This Endorsement Is Not Prepared with the Policy <u>or</u> is Not to be Effective with the Policy.
Issued To: Vintage Grove Homeowners Association, Inc. Effective Date Of This Endorsement: 08/03/2021

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Authorized Representative

## IMMIGRATION CLAIM DEFENSE COSTS ENDORSEMENTS (with Sublimit)

It is understood and agreed that the solely with respect to the **Association Liability Coverage Part**, the Policy is amended as follows:

I. The General Terms and Conditions is amended as follows:

A. The section entitled **NOTICE/DATE OF CLAIM/INTERRELATED CLAIM CLAUSE/ SWORN PROOF OF LOSS**, paragraph "3." is amended to add the following:

c. or, notwithstanding anything to the contrary, any **Immigration Claim** shall be deemed made on the earliest of the date of:

- i. service upon, or other receipt by any **Named Entity Insured** of a complaint, subpoena, indictment, notice of charge or similar document in a criminal proceeding, criminal administrative proceeding or criminal regulatory proceeding; or
- ii. an **Insured Person** being identified by name in a formal order of investigation, Wells Notice, target letter (within the meaning of Title 9, §11.151 of the United States Attorney's Manual), or similar document, someone against whom a criminal investigation may be brought.

B. The section entitled **LIMIT OF LIABILITY/RETENTIONS** is amended as follows:

### Immigration Claims Defense Costs Sublimit of Liability

Subject to the applicable retention and the **Policy Period** aggregate Limit of set forth in the Declarations, the amount of \$100,000 shall be the maximum per **Policy Period** aggregate Limit of Liability of the Insurer for all **Defense Costs** under the Policy for all **Immigration Claims** covered under the **Association Liability Coverage Part**, regardless of the number of such **Immigration Claims**, **Named Entity Insureds** or claimants. This amount is a sublimit of liability which further reduces, and in no way increases, the Limit of Liability for the **Association Liability Coverage Part** set forth in the Declarations.

II. The Association Liability Coverage Part, is amended as follows:

A. The section entitled **DEFINITIONS** is amended as follows:

1. The definition of **Claim**, is deleted in its entirety and replaced with the following:

**Claim** means:

- a. a written demand for monetary damages or nonmonetary relief against a **Named Entity Insured** for a **Wrongful Act**;
- b. a civil, criminal, or administrative adjudicatory proceeding against a **Named Entity Insured** for a **Wrongful Act**, including any appeal therefrom (other than an **Immigration claim**); or
- c. a proceeding before the United States Equal Employment Opportunity Commission or any similar state, local or territorial governmental agency, against a **Named Entity Insured** for a **Wrongful Act** which is a **Wrongful Employment Practice** (other than an **Immigration claim**); or
- d. an **Immigration Claim** for a **Wrongful Act**, which is a **Wrongful Immigration Employment Practice**, including any appeal therefrom;

- 2. **Immigration Claim** means;
  - a. a criminal proceeding, criminal administrative or criminal regulatory proceeding against a **Named Entity Insured**; or
  - b. a criminal investigation of an **Insured Person**;

based upon or arising out of an actual or alleged violation of the Federal Immigration & Nationality Act, 8 U.S.C., Section 1101, et seq., as amended.

- 3. The definition of **Wrongful Employment Practice**, is amended to add the following

- **Wrongful Immigration Employment Practice**

- 4. The following new definition is added:

**Wrongful Immigration Employment Practice** means any actual or alleged hiring, harboring, employment or attempted employment of illegal aliens or potential illegal aliens committed or attempted by the Insured Persons in their capacity as such or by the **Named Entity** or **Subsidiary**.

- B. The section entitled **EXCLUSIONS**, the sub-section Exclusions Applicable to Loss other than Defense Costs is amended to add the following new exclusion:

For an **Immigration Claim**.

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy.

Must be Completed
Endorsement No.: 11 Policy No.: 618924281

Complete Only When This Endorsement Is Not Prepared with the Policy <u>or</u> is Not to be Effective with the Policy.
Issued To: Vintage Grove Homeowners Association, Inc. Effective Date Of This Endorsement: 08/03/2021

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Authorized Representative

## WORKPLACE VIOLENCE ACT ENDORSEMENT (WITH SUBLIMIT)

It is understood and agreed that notwithstanding anything to the contrary and solely with respect to the coverage provided by this endorsement, the Policy is amended as follows:

- I. The General Terms and Conditions are amended as follows:

### **Workplace Violence Act Expenses Sublimit of Liability**

Subject to Scheduled Limits of Liability for the **Association Liability Coverage Part**, the amount of \$100,000 shall be the maximum aggregate Limits of Liability of the Insurer for all **Workplace Violence Act Expenses** under the Policy for all Workplace Violence Acts covered under the Insuring Agreement entitled **Workplace Violence Act Expenses**, regardless of the number of such **Workplace Violence Acts** or **Named Entity Insureds**. This amount is a sublimit of liability which further reduces, and in no way increases, the Limit of Liability for the **Association Liability Coverage Part** set on the Declarations.

- II. The **Liability Coverage Part** is amended as follows:

- A. The section entitled **INSURING AGREEMENT** is amended by the addition of the following new Insuring Agreement:

### **Workplace Violence Act Expenses**

The Insurer shall pay all **Loss** that constitutes Workplace Violence Act Expenses, up to the **Workplace Violence Act Expenses** sublimit of liability, resulting from any **Workplace Violence Act** first taking place during the **Policy Period**, provided that such **Workplace Violence Act** is reported to the Insurer in writing as soon as practicable but in no event later than sixty (60) days after the occurrence of the **Workplace Violence Act**. No retention applies to **Workplace Violence Act Expenses**.

- B. The section entitled **DEFINITIONS** is amended as follows:

1. The definition of **Loss** is amended by the addition of the following:

Loss also means **Workplace Violence Act Expenses**.

2. The following new definitions are added:

**Premises** means any buildings, facilities or properties occupied by the **Named Entity, Subsidiary** or **Property Manager** and in which such **Named Entity, Subsidiary** or **Property Manager** conducts its business operations.

**Workplace Violence Act** means any intentional or unlawful act:

- a. of deadly force involving the use of a lethal weapon; or
- b. involving the threat of deadly force via the display of a lethal weapon;

which is committed on or in the **Premises** and which causes, or could cause, bodily injury or death to an **Insured Person**.

**Workplace Violence Act Expenses** means the reasonable and necessary fees and expenses (other than regular or overtime wages or salaries) incurred by the **Named Entity, Subsidiary** or **Property Manager**, with the prior written consent of the Insurer, in connection with a **Workplace Violence Act** and for:

- a. an independent security consultant for the first ninety (90) days immediately following the date on which the **Workplace Violence Act** takes place;
- b. an independent public relations consultant for the first ninety (90) days immediately following the date on which the **Workplace Violence Act** takes place;

- c. a counseling seminar for all employees of the **Named Entity, Subsidiary or Property Manager** conducted by an independent consultant within the first ninety (90) days immediately following the date on which the **Workplace Violence Act** takes place;
- d. an independent security guard service for the first fifteen (15) days immediately following the date on which the **Workplace Violence Act** takes place; and
- e. an independent forensic analyst for the first ninety (90) days immediately following the date on which the **Workplace Violence Act** takes place.

C. The section entitled **EXCLUSIONS** is amended as follows:

- 1. The paragraph entitled Exclusions Applicable to All Loss is amended by the addition of the new exclusion:
  - based upon or arising out of a **Workplace Violence Act**;
- 2. The following is added:

**Exclusions Applicable to Workplace Violence Acts**

The Insurer shall not be liable to pay under this **Coverage Part**:

- 1. any **Workplace Violence Act Expenses** resulting from any **Workplace Violence Act** which takes place at or in any location other than an **Named Entity, Subsidiary, or Property Manager’s Premises**;
- 2. any **Workplace Violence Act Expenses** resulting from any **Workplace Violence Act** which is based upon or arises out of declared or undeclared war, civil war, insurrection, civil commotion, insurrection, rebellion, revolution, military action, invasion, riot, government intervention, expropriation or nationalization;
- 3. any **Workplace Violence Act Expenses** resulting from any **Workplace Violence Act** which is based upon or arises out of the use or threat of force or violence occurring for the purpose of demanding money, securities or property; or
- 4. any legal costs, attorneys’ fees, expenses, settlement, judgments, penalties or other amounts incurred as a result of any proceeding brought against any **Named Entity Insured** in connection with a **Workplace Violence Act**.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

Must be Completed	Complete Only When This Endorsement Is Not Prepared with the Policy <u>or</u> is Not to be Effective with the Policy.
Endorsement No.: 12 Policy No.: 618924281	Issued To: Vintage Grove Homeowners Association, Inc. Effective Date Of This Endorsement: 08/03/2021

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

**REMOVE SPECIFIED PERIL**

In consideration of the premium paid for this Policy, it is agreed that the **Liability Coverage Part** is amended as follows:

- 1. Section II. DEFINITIONS, Definition 7., **Specified Peril** is deleted in its entirety.
- 2. Section III. EXCLUSIONS, Paragraph 1., Exclusions Applicable to All Loss, subparagraph (a)(4) **Specified Peril**, is deleted in its entirety.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy and expires concurrently with said Policy unless another effective date is shown below.

Must be Completed
Endorsement No.: 13 Policy No.: 618924281

Complete Only When This Endorsement Is Not Prepared with the Policy <u>or</u> is Not to be Effective with the Policy.
Issued To: Vintage Grove Homeowners Association, Inc. Effective Date Of This Endorsement: 08/03/2021

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

BREACH OF CONTRACT DEFENSE COVERAGE WITH SUBLIMIT ENDORSEMENT

In consideration of the premium paid, it is hereby understood and agreed that the Liability Coverage Part, Section III, EXCLUSIONS, is amended as follows:

- 1. Paragraph 1, Exclusions Applicable to All Loss, subparagraph m. is deleted in its entirety and replaced as follows: m. for: (1) a Named Entity Insured's actual or alleged liability under any oral contract or agreement... (2) liability of others assumed by the Named Entity Insured under any oral or written contract or agreement...

2. Paragraph 2. Exclusions Applicable to Loss Other than Defense Costs, is amended to add the following new Exclusion:

- The Insurer shall not be liable to pay that portion of Loss, other than Defense Costs, for: a Named Entity Insured's actual or alleged liability under any written contract or agreement, including but not limited to express warranties or guarantees. Provided, however, that this exclusion shall not apply to any Claim for liability under an employment contract; except that coverage otherwise available to a Named Entity Insured shall apply to such Named Entity Insured's liability that exists in the absence of such written contract or agreement.

Defense Costs coverage provided herein shall be subject to the following Retention and Sublimit. Such sublimit shall be included within, and not in addition to, the aggregate Limit of Liability for all Liability Loss as stated in Item 5. on the Declarations.

Retention: \$1,000 per Claim
Sublimit: \$1,000,000 per Claim and in the aggregate

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy and expires concurrently with said Policy unless another effective date is shown below.

Table with 1 column: Must be Completed. Rows: Endorsement No.: 14, Policy No.: 618924281

Table with 1 column: Complete Only When This Endorsement Is Not Prepared with the Policy or is Not to be Effective with the Policy. Rows: Issued To: Vintage Grove Homeowners Association, Inc., Effective Date Of This Endorsement: 08/03/2021

Authorized Representative





BI-LATERAL OPTIONAL EXTENDED REPORTING PERIOD ENDORSEMENT

In consideration of the premium paid for this Policy, it is agreed that the General Terms & Conditions, Section III. EXTENDED REPORTING PERIOD/DISCOVERY, is amended as follows:

- 1. paragraph 2 is deleted in its entirety and replaced with the following:
2. If the Named Entity cancels or non-renews or the Insurer non-renews this Policy, the Named Entity shall have the right to purchase, upon payment of an additional premium equal to 100% of the annualized Policy Premium, an extension of this Policy for a period of 12 months immediately following the end of the automatic Extended Reporting Period, but only under the Liability Coverage Part, and only with respect to any Wrongful Act committed before the earlier of the end of the Policy Period or the effective date of any Change in Status;
This period shall be referred to as the optional Extended Reporting Period.
2. Paragraph 6 is deleted in its entirety.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

Table with 1 column: Must be Completed. Rows: Endorsement No.: 15, Policy No.: 618924281

Table with 1 column: Complete Only When This Endorsement Is Not Prepared with the Policy or is Not to be Effective with the Policy. Rows: Issued To: Vintage Grove Homeowners Association, Inc., Effective Date Of This Endorsement: 08/03/2021

Authorized Representative

AMEND SETTLEMENT ENDORSEMENT

In consideration of the premium paid for this Policy, it is hereby understood and agreed that the General Terms & Conditions, Section VI. DEFENSE AND SETTLEMENT OF LIABILITY CLAIMS, Paragraph 2. Settlement, is deleted in its entirety and replaced as follows:

2. Settlement

The Insurer shall not settle a Liability Claim without the written consent of the Named Entity Insureds, other than the Property Manager. If the Named Entity Insured, other than the Property Manager, refuses to consent to a settlement or compromise recommended by the Insurer, and acceptable to the claimant, then the limit of liability applicable to such Liability Claim for all Loss including Defense Costs under this Policy shall be reduced to:

- a. the amount of the proposed settlement plus Defense Costs incurred up to the date of the Named Entity Insured's refusal to consent to proposed settlement of such Liability Claim;

plus:

- b. eighty percent (80%) of any Loss, including Defense Costs, in excess of the amount referenced in paragraph a. above, incurred in connection with such Liability Claim. The remaining twenty percent (20%) of any Loss, including Defense Costs, in excess of the amount referenced in paragraph a. above will be borne uninsured and at the Insured's own risk;

which amount shall not exceed the remainder of the applicable limit of liability specified on the Declarations.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

Table with 1 column: Must be Completed. Rows: Endorsement No.: 16, Policy No.: 618924281

Table with 1 column: Complete Only When This Endorsement Is Not Prepared with the Policy or is Not to be Effective with the Policy. Rows: Issued To: Vintage Grove Homeowners Association, Inc., Effective Date Of This Endorsement: 08/03/2021

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

MEDIATION ENDORSEMENT

In consideration of the premium paid for this Policy, it is hereby understood and agreed that the General Terms & Conditions, Section VI. DEFENSE AND SETTLEMENT OF LIABILITY CLAIMS, is amended to add the following new paragraph at the end as follows:

Mediation

If, prior to institution of arbitration proceedings or service of suit or within sixty (60) days of the institution of such proceedings or service of suit, the Insurer and the Named Entity agree to use a process of non binding intervention by a neutral third party to resolve any Liability Claim reported to the Insurer, and if such Liability Claim is resolved through such process, the Insurer will reduce the retention applicable to such Liability Claim by fifty percent (50%) or five thousand dollars (\$5,000.00), whichever is less.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

Must be Completed
Endorsement No.: 17
Policy No.: 618924281

Complete Only When This Endorsement Is Not Prepared with the Policy or is Not to be Effective with the Policy.
Issued To: Vintage Grove Homeowners Association, Inc.
Effective Date Of This Endorsement: 08/03/2021

Authorized Representative



FIRST DOLLAR DEFENSE ENDORSEMENT

It is understood and agreed that the Policy is amended as follows:

- I. Solely with respect to the Association Liability Coverage Part, the Item on the Declarations entitled Coverage, Column 3. of the chart, is amended to read as follows:

SCHEDULED RETENTIONS (exclusive of Defense Costs)

- II. The Section of the General Terms & Conditions entitled LIMIT OF LIABILITY/RETENTIONS, the subsection entitled Retentions, paragraphs a. and b., are deleted in their entirety and replaced by the following:
a. Subject to paragraph c. below, the Insurer is liable to pay only that amount of Loss, other than Defense Costs, in excess of any applicable retention.
b. Separate Retentions as set forth in Item 5 of the Declarations as the Scheduled Retentions shall apply to each Loss, other than Defense Costs, under each Coverage Part.

All other terms and conditions of the policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the policy issued by the designated Insurers, takes effect on the Policy Effective date of said policy at the hour stated in said policy, unless another effective date (the Endorsement Effective Date) is shown below, and expires concurrently with said policy.

Table with 1 column: Must be Completed. Rows: Endorsement No.: 18, Policy No.: 618924281

Table with 1 column: Complete Only When This Endorsement Is Not Prepared with the Policy or is Not to be Effective with the Policy. Rows: Issued To: Vintage Grove Homeowners Association, Inc., Effective Date Of This Endorsement: 08/03/2021

Authorized Representative

CANCELLATION AND NON-RENEWAL ENDORSEMENT – NORTH CAROLINA

In consideration of the premium paid for this Policy, the General Terms & Conditions, Section VIII. Cancellation is deleted in its entirety and replaced with the following:

VIII. Cancellation/Nonrenewal

1. Cancellation by the Named Entity

The Named Entity has the right to cancel this Policy at any time by giving notice to the Insurer stating when thereafter the cancellation shall be effective. If the this Policy is so canceled, earned premium shall be computed pro rata.

2. Cancellation by the Insurer

The Insurer has the right to cancel the this Policy at any time and for any reason within the first sixty (60) days. The Insurer must mail notice of cancellation at least thirty (30) days prior to the effective date of such cancellation. After this Policy has been in effect for sixty (60) days or more, it may be canceled only for one of the following reasons:

- a. Nonpayment;
b. Material misrepresentation or nondisclosure of a material fact;
c. Violation of coverage conditions that materially affects insurability;
d. Material change in risk which could not have been excepted initially;
e. A fraudulent act that materially affects insurability;
f. Willful failure of insureds to institute reasonable loss control measures (after written notice sent);
g. Loss of facultative reinsurance;
h. Conviction of the insureds of a crime that materially affects the insurability of a risk of the insured;
i. Determination by commissioner that continuation of the Policy would violate North Carolina law.
j. insured fails to meet requirements of insurer’s charter.

The Insurer must mail notice of cancellation at least thirty (30) days prior to the effective date of such cancellation. If the Insurer cancels for non-payment of premium, notice of cancellation must be mailed at least fifteen (15) days prior to the effective date of such cancellation.

3. Non-Renewal by the Insurer

The Insurer has the right to non-renew this Policy effective on any Policy anniversary date. All notices of non-renewal must be mailed to the Named Entity at the last mailing address known, at least forty-five (45) days prior to the effective date of non-renewal and shall provide a specific explanation of the reason(s) for non-renewal

All other provisions of the Policy remain unchanged.

Table with 1 column: Must be Completed. Rows: Endorsement No.: 19, Policy No.: 618924281

Table with 1 column: Complete Only When This Endorsement Is Not Prepared with the Policy or is Not to be Effective with the Policy. Rows: Issued To: Vintage Grove Homeowners Association, Inc., Effective Date Of This Endorsement: 08/03/2021

Authorized Representative

AMENDATORY ENDORSEMENT – NORTH CAROLINA

In consideration of the premium paid for this Policy, it is agreed that the **General Terms & Conditions** are amended as follows:

- 1. Section III., EXTENDED REPORTING PERIOD/DISCOVERY, paragraph 2 is deleted in its entirety and replaced with the following:
2. If the Named Entity cancels or non-renews or the Insurer non-renews this Policy, the Named Entity shall have the right to purchase, upon payment of an additional premium equal to 100% of the annualized Policy Premium, an extension of this Policy for a period of 12 months immediately following the end of the automatic Extended Reporting Period, but only under the Liability Coverage Part, and only with respect to any Wrongful Act committed before the earlier of the end of the Policy Period or the effective date of any Change in Status;
This period shall be referred to as the optional Extended Reporting Period.
2. Section III., EXTENDED REPORTING PERIOD/DISCOVERY, paragraph 5. is deleted in its entirety and replaced as follows:
5. The Limit of Liability in the Policy aggregate for the extended reporting period shall be one hundred percent (100%) of the expiring Policy aggregate.
3. Section III., EXTENDED REPORTING PERIOD/DISCOVERY, paragraph 6 is deleted in its entirety.
4. The following paragraph is added to Section III., EXTENDED REPORTING PERIOD/DISCOVERY:
Within 45 days after the mailing or delivery of the written request of the Named Entity we shall mail or deliver the following loss information covering a three-year period:
i. Aggregate information on total closed claims, including date and description of occurrence, and any paid losses;
ii. Aggregate information on total open claims, including date and description of occurrence, and amounts of any payments;
iii. Information on notice of any occurrence, including date and description of occurrence.

All other terms and conditions of the Policy remain unchanged.

This endorsement, which forms a part of and is for attachment to the Policy issued by the designated Insurers, takes effect on the effective date of said Policy at the hour stated in said Policy, unless another effective date is shown below, and expires concurrently with said Policy.

Table with 1 column: Must be Completed. Rows: Endorsement No.: 20, Policy No.: 618924281

Table with 1 column: Complete Only When This Endorsement Is Not Prepared with the Policy or is Not to be Effective with the Policy. Rows: Issued To: Vintage Grove Homeowners Association, Inc., Effective Date Of This Endorsement: 08/03/2021

Authorized Representative



VINTAGE GROVE HOMEOWNER'S ASSOCIATION,  
PO BOX 79032  
CHARLOTTE NC 28271-0030

ATTACHED ARE DOCUMENTS FOR THE FOLLOWING NAMED INSURED:

VINTAGE GROVE HOMEOWNER'S  
ASSOCIATION, INC.  
PO BOX 79032  
CHARLOTTE NC 28271-0030



380 Sentry Parkway, P.O. Box 3031, Blue Bell, PA 19422 | T: 888.476.2669 | [www.pmacompanies.com](http://www.pmacompanies.com)

# **Workers Compensation And Employers Liability Insurance Policy**







380 Sentry Parkway, P.O. Box 3031, Blue Bell, PA 19422 | T: 888.476.2669 | [www.pmacompanies.com](http://www.pmacompanies.com)

Dear VINTAGE GROVE HOMEOWNER'S ASSOCIATION, INC.

Thank you for again selecting the PMA Insurance Group as your business partner and placing your insurance with us. We are passionate about servicing your insurance and risk management needs and delivering tangible value to you. Enclosed please find your insurance policy.

We encourage you to continue to access PMA's many available services, programs and resources to help manage your total cost of risk.

In particular, we encourage you to review PMA Websource<sup>®</sup>, our on-line portal of safety and risk management resources, exclusively for PMA Companies' clients. PMA Websource contains practical loss prevention and safety information and solutions. In addition, we invite you to register for PMA Risk Control educational webinars, our one-hour web-based distance learning programs on timely risk management topics. Access PMA Websource at <http://websource.pmagroup.com>.

If you need another copy of the Client Services Kit please access it on-line at [www.pmacompanies.com/support](http://www.pmacompanies.com/support). If you do not have internet access or encounter any problems, simply call our Customer Service Center at 1-888-4PMANOW (1-888-476-2669) for assistance.

We look forward to continuing to work with you. PMA's unyielding commitment to customer service is designed to help you reduce your risk and control costs. Every PMA employee conducts themselves in accordance with our core values - passion, accountability, execution, professionalism and teamwork.

Thank you for your business. Please feel free to contact us with any questions that you may have.

Sincerely,

PMA Insurance Group



## ***The PMA Privacy Policy***

Insurance companies routinely obtain a variety of information provided by customers, agents and brokers, various claimants, medical providers, and other third parties. It is the policy of the PMA Insurance Group of companies to maintain an appropriate level of confidentiality for all the information we collect by restricting access to that information. We also maintain appropriate physical, electronic, and procedural safeguards to protect such information from unauthorized access.

***The business of insurance requires information.*** Insurance companies cannot effectively provide insurance services unless they are given access to and are able to process different kinds of information. For example, underwriters cannot evaluate individual risks without information regarding the individual insured's loss experience, safety practices and so forth; and claims cannot be administered without information regarding the nature and extent of the damage incurred, including relevant medical information.

Much of the information we obtain is public and not of a personal or sensitive nature. We believe that those who entrust us with nonpublic personal information do so with the reasonable expectation that we will use the information only for the limited purpose for which we obtain it; i.e. for insurance related purposes. We are concerned about protecting the privacy of our customers and the other individuals with whom we interact, and have taken steps to protect the confidentiality of the nonpublic personal information that we obtain.

***Types and sources of information.*** PMA accumulates information from many sources.

- o Customers provide us with information we need as part of the insurance application or evaluation process. We may also request reports from various sources in connection with applications for insurance and/ or any renewal of such insurance. The kind of information we collect depends upon the type of policy, but may include such things as automobile motor vehicle reports, loss and claim reports, risk management reports, financial rating reports and property inspections, and other information. We also may receive and verify information from government agencies or independent reporting companies to help us correctly rate and properly underwrite a particular insurance risk.
- o We maintain detailed claim files which contain information about the claim and the claimant, including accident reports, wage information, medical reports bearing on the claim, and evidence relating to the validity or eligibility of the claim. We obtain such information from claimants, their employers, their medical providers, and other generally reliable sources. We cannot administer claims or pay benefits without appropriate access to such information.

Much of the information we obtain is generally accessible or otherwise not nonpublic personal information, and PMA cannot be responsible for preserving the privacy of such information.

***Medical information*** PMA obtains personally identifiable medical information only in connection with underwriting specific insurance policies or administering claims under those policies. We will not use or share with third parties personally identifiable medical information for any purpose other than the underwriting or administration of a policy, claim, account or program, or as otherwise disclosed to the subject when the information is collected, except as may be permitted by applicable law.

***Our use of customer information*** PMA's policy is to limit access to nonpublic personal information to those who need it in order to serve our own and our customers' insurance business needs, to administer claims and to maintain and improve customer service. We do not disclose nonpublic

personal information to third parties except as necessary to conduct business, e.g., processing claims or as permitted or required by law. In particular, we do not buy or sell nonpublic personal information, although we may acquire or transfer such information in connection with the acquisition or sale of companies or books of business.

**Records retention** PMA retains the information it has collected for various periods established by the records retention policies of the Company.

**Who has access to the information** Except as permitted or required by law, we will not disclose nonpublic personal information about a person without that person's consent. We may, without prior permission but only to the extent permitted by law, provide information contained in our records and files to certain persons or organizations which are fundamental to the insurance services we provide, such as:

- o Our customers, and their independent agents or brokers;
- o Our affiliated property and casualty insurance companies;
- o Independent claim adjusters, medical examiners, vocational counselors, attorneys or investigators, when appropriate;
- o Companies that provide insurance related services to or on behalf of PMA, such as claim administration, medical review or treatment, and pharmacy network services;
- o Persons or organizations that conduct research for or on behalf of the insurance industry, including actuarial or underwriting studies;
- o Insurance support or rating organizations or, at our customers' request, other insurers; and
- o To appropriate entities as necessary to prevent fraud or to properly underwrite a risk.

Also, on some occasions, we may be required to share this information:

- o With state insurance departments or other governmental agencies, to the extent required by federal, state or local laws;
- o If ordered by a summons, court order, search warrant or subpoena; or
- o To protect our own legal interests, or in a case of suspected fraud or other illegal activities.

**Privacy Notice** For more information on how PMA Companies collects, uses, shares and protects personal information, please access PMA Companies' Privacy Notice at [www.pmacompanies.com/privacy-policy](http://www.pmacompanies.com/privacy-policy).

**WORKERS COMPENSATION AND EMPLOYERS' LIABILITY  
INSURANCE POLICY – INFORMATION PAGE**

**INSURER:**  
**PENNSYLVANIA MANUFACTURERS'  
ASSOCIATION INSURANCE**

**POLICY NO:** 202101-12-78-94-4Y

**RENEWAL OF:** 202001-12-78-94-4Y

NCCI Company No: 11916

Account No: 1278944

N.J. Taxpayer Identification No.

**ITEM 1. NAMED INSURED AND MAILING ADDRESS:**

**VINTAGE GROVE HOMEOWNER'S  
ASSOCIATION, INC.  
PO BOX 79032  
CHARLOTTE NC 28271-0030**

**PRODUCER NAME AND ADDRESS:**

**COMMUNITY ASSOCIATION  
INSURANCE SOLUTIONS, LLC  
5045 ROBERT J MATTHEWS PKWY STE 100  
EL DORADO HILLS CA 95762-0000**

**PRODUCER NO.:** 2110

**LEGAL ENTITY:** ASSOCIATION, LABOR UNION, RELIGIOUS ORGANIZATION

**OTHER WORKPLACES NOT SHOWN ABOVE:** (See Extension Of Information Page)

**ITEM 2. POLICY PERIOD:** From: 08-03-2021 To: 08-03-2022

Effective 12:01 A.M. Standard Time at the Insured's mailing address.

**ITEM 3. COVERAGE:**

A. Workers Compensation Insurance: Part One of the policy applies to the Workers Compensation Law of the states listed here:  
NC

B. Employers' Liability Insurance: Part Two of the policy applies to work in each state listed in Item 3.A. The limits of liability under Part Two are:

Bodily Injury by Accident:	\$	100,000	each accident
Bodily Injury by Disease:	\$	500,000	policy limit
Bodily Injury by Disease:	\$	100,000	each employee

C. Other States Insurance: Part Three of the policy applies to the states, if any, listed here:

**AL AK AZ AR CA CO CT DE DC FL GA HI ID IL IN IA KS KY LA ME MD MA  
MI MN MS MO MT NE NV NH NJ NM NY OK OR PA RI SC SD TN TX UT VT VA  
WV WI**

D. This Policy includes these Endorsements and Schedules:  
See Schedule of Forms and Endorsements.

**ITEM 4. PREMIUM:** The premium for this Policy will be determined by our Manuals of Rules, Classifications, Rates and Rating Plans. All information required on the Workers Compensation Classification Schedule is subject to verification and change by audit. **See Classification Schedule.**

Minimum Premium: \$ 420 FL Workers Comp. Insurance  
Guaranty Assoc. Surcharge:

Audit Period: **ANNUAL**

Total Estimated

Annual Premium: 420

Issued At: **04 PHILADELPHIA**

Date: **06-15-21**

Countersigned by \_\_\_\_\_

PENNSYLVANIA MANUFACTURERS'  
ASSOCIATION INSURANCE COMPANY

Policy Number  
202101-12-78-94-4Y

EXTENSION OF INFORMATION PAGE  
WORKERS COMPENSATION CLASSIFICATION SCHEDULE

State of: NORTH CAROLINA

Named Insured VINTAGE GROVE HOMEOWNER'S

Effective Date: 08-03-2021  
12:01 A.M., Standard Time

Agent Name COMMUNITY ASSOCIATION  
INSURANCE SOLUTIONS, LLC

Agent No. 2110

Classification of Operation	Code No.	Annual Remuneration	Total Estimated Per \$100 of Remuneration	Estimated Annual Premium
0001-01 VINTAGE GROVE HOMEOWNER'S ASSOCIATION, INC. FEIN # 56-1665227 SIC CODE 6531 NAICS CODE 531311  1000 BERINGER PLACE APEX NC 27502-0000				
CONDOMINIUMS, COOPERATIVES OR TIME-SHARES - ALL OTHER EMPLOYEES	9015	IF ANY	2.04 \$	0.00
TOTAL CLASS PREMIUM			\$	0.00
TOTAL SUBJECT PREMIUM			\$	0.00
TOTAL MODIFIED PREMIUM			\$	0.00
POLICY MINIMUM DIFFERENCE	0990		\$	260.00
STANDARD TOTAL			\$	260.00
EXPENSE CONSTANT	0900		\$	160.00
TERRORISM .007	9740		\$	0.00
CATASTROPHE (OTHER THAN CERTIFIED ACTS OF TERRORISM) .01	9741		\$	0.00
TOTAL ESTIMATED PREMIUM			\$	420.00
FINAL TOTAL			\$	420.00
POLICY TOTAL ESTIMATED COST			\$	420.00

Policy Number 202101-12-78-94-4Y

PENNSYLVANIA MANUFACTURERS' ASSOCIATION INSURANCE COMPANY

NCCI Carrier Code 11916

NAME AND LOCATION SCHEDULE

Named Insured VINTAGE GROVE HOMEOWNER' S

Effective Date: 08-03-2021

12:01 A.M., Standard Time

Agent Name COMMUNITY ASSOCIATION

Agent No. 2110

State: NORTH CAROLINA

VINTAGE GROVE HOMEOWNER' S  
ASSOCIATION, INC.

1000 BERINGER PLACE

APEX NC 27502-0000

Legal Entity: Association, Labor Union,  
Religious Organization

FEIN: 56-1665227

SIC Code: 6531

NAICS Code: 531311

# EMP : 1

Policy Number  
202101-12-78-94-4Y

**SCHEDULE OF FORMS AND ENDORSEMENTS**

**PENNSYLVANIA MANUFACTURERS' ASSOCIATION INSURANCE COMPANY**

Named Insured **VINTAGE GROVE HOMEOWNER' S**

Effective Date: **08-03-2021**

12:01 A.M., Standard Time

Agent Name **COMMUNITY ASSOCIATION**

Agent No. **2110**

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**WORKERS COMPENSATION FORMS AND ENDORSEMENTS**

<b>R LETTER</b>		<b>POLICYHOLDER COVER LETTER</b>
<b>PIL 50 16</b>	<b>01-20</b>	<b>PMA PRIVACY NOTICE</b>
<b>WC 00 00 01 A</b>		<b>WC INFORMATION PAGE</b>
<b>WC 89 04 15</b>		<b>WC CLASSIFICATION SCHEDULE</b>
<b>WC 00 00 01 A</b>		<b>SCHEDULE OF LOCATIONS</b>
<b>WC 00 00 00 C</b>	<b>03-16</b>	<b>INSURANCE POLICY</b>
<b>WC 00 03 11 A</b>	<b>08-91</b>	<b>VOLUNTARY COMP AND EMPLOYERS LIAB COVG</b>
<b>WC 00 04 14 A</b>	<b>01-19</b>	<b>90DAY REPORT-NOTIF CHANGE IN OWNERSHIP</b>
<b>WC 00 04 19</b>		<b>PREMIUM DUE DATE ENDORSEMENT</b>
<b>WC 00 04 21 E</b>	<b>01-21</b>	<b>CATASTROPHE (OTHER THAN CERT ACTS) ENDT</b>
<b>WC 00 04 22 C</b>	<b>01-21</b>	<b>TERRORISM RISK PGM REAUTH ACT DISCL ENDT</b>
<b>WC 00 04 24</b>	<b>01-17</b>	<b>AUDIT NONCOMPLIANCE CHARGE ENDT</b>
<b>WC 32 03 01 D</b>		<b>NC AMENDED COVERAGE ENDT</b>



**WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY**

In return for the payment of the premium and subject to all terms of this policy, we agree with you as follows:

**GENERAL SECTION**

**A. The Policy**

This policy includes at its effective date the Information Page and all endorsements and schedules listed there. It is a contract of insurance between you (the employer named in Item 1 of the Information Page) and us (the insurer named on the Information Page). The only agreements relating to this insurance are stated in this policy. The terms of this policy may not be changed or waived except by endorsement issued by us to be part of this policy.

**B. Who is Insured**

You are insured if you are an employer named in Item 1 of the Information Page. If that employer is a partnership, and if you are one of its partners, you are insured, but only in your capacity as an employer of the partnerships employees.

**C. Workers Compensation Law**

Workers Compensation Law means the workers or workmens compensation law and occupational disease law of each state or territory named in Item 3.A. of the Information Page. It includes any amendments to that law which are in effect during the policy period. It does not include any federal workers or workmens compensation law, any federal occupational disease law or the provisions of any law that provide nonoccupational disability benefits.

**D. State**

State means any state of the United States of America, and the District of Columbia.

**E. Locations**

This policy covers all of your workplaces listed in Items 1 or 4 of the Information Page; and it covers all other workplaces in Item 3.A. states unless you have other insurance or are self-insured for such workplaces.

**PART ONE**

**WORKERS COMPENSATION INSURANCE**

**A. How This Insurance Applies**

This workers compensation insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

1. Bodily injury by accident must occur during the policy period.
2. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employees last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.

**B. We Will Pay**

We will pay promptly when due the benefits required of you by the workers compensation law.

**C. We Will Defend**

We have the right and duty to defend at our expense any claim, proceeding or suit against you for benefits payable by this insurance. We have the right to investigate and settle these claims, proceedings or suits.

We have no duty to defend a claim, proceeding or suit that is not covered by this insurance.

**D. We Will Also Pay**

We will also pay these costs, in addition to other amounts payable under this insurance, as part of any claim, proceeding or suit we defend:

1. reasonable expenses incurred at our request, but not loss of earnings;
2. premiums for bonds to release attachments and for appeal bonds in bond amounts up to the amount payable under this insurance;
3. litigation costs taxed against you;
4. interest on a judgment as required by law until we offer the amount due under this insurance; and
5. expenses we incur.

**E. Other Insurance**

We will not pay more than our share of benefits and costs covered by this insurance and other



insurance or self-insurance. Subject to any limits of liability that may apply, all shares will be equal until the loss is paid. If any insurance or self-insurance is exhausted, the shares of all remaining insurance will be equal until the loss is paid.

**F. Payments You Must Make**

You are responsible for any payments in excess of the benefits regularly provided by the workers compensation law including those required because:

1. of your serious and willful misconduct;
2. you knowingly employ an employee in violation of law;
3. you fail to comply with a health or safety law or regulation; or
4. you discharge, coerce or otherwise discriminate against any employee in violation of the workers compensation law.

If we make any payments in excess of the benefits regularly provided by the workers compensation law on your behalf, you will reimburse us promptly.

**G. Recovery From Others**

We have your rights, and the rights of persons entitled to the benefits of this insurance, to recover our payments from anyone liable for the injury. You will do everything necessary to protect those rights for us and to help us enforce them.

**H. Statutory Provisions**

These statements apply where they are required by law.

1. As between an injured worker and us, we have notice of the injury when you have notice.
2. Your default or the bankruptcy or insolvency of you or your estate will not relieve us of our duties under this insurance after an injury occurs.
3. We are directly and primarily liable to any person entitled to the benefits payable by this insurance. Those persons may enforce our duties; so may an agency authorized by law. Enforcement may be against us or against you and us.
4. Jurisdiction over you is jurisdiction over us for purposes of the workers compensation law. We are bound by decisions against you under that law, subject to the provisions of this policy that are not in conflict with that law.
5. This insurance conforms to the parts of the

workers compensation law that apply to:

- a. benefits payable by this insurance;
  - b. special taxes, payments into security or other special funds, and assessments payable by us under that law.
6. Terms of this insurance that conflict with the workers compensation law are changed by this statement to conform to that law.

Nothing in these paragraphs relieves you of your duties under this policy.

**PART TWO  
EMPLOYERS LIABILITY INSURANCE**

**A. How This Insurance Applies**

This employers liability insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

1. The bodily injury must arise out of and in the course of the injured employees employment by you.
2. The employment must be necessary or incidental to your work in a state or territory listed in Item 3.A. of the Information Page.
3. Bodily injury by accident must occur during the policy period.
4. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employees last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.
5. If you are sued, the original suit and any related legal actions for damages for bodily injury by accident or by disease must be brought in the United States of America, its territories or possessions, or Canada.

**B. We Will Pay**

We will pay all sums that you legally must pay as damages because of bodily injury to your employees, provided the bodily injury is covered by this Employers Liability Insurance.

The damages we will pay, where recovery is permitted by law, include damages:

1. For which you are liable to a third party by reason of a claim or suit against you by that third party to recover the damages claimed against

such third party as a result of injury to your employee-

2. For care and loss of services- and
3. For consequential bodily injury to a spouse, child, parent, brother or sister of the injured employee- provided that these damages are the direct consequence of bodily injury that arises out of and in the course of the injured employees employment by you- and
4. Because of bodily injury to your employee that arises out of and in the course of employment, claimed against you in a capacity other than as employer.

### C. Exclusions

This insurance does not cover:

1. Liability assumed under a contract. This exclusion does not apply to a warranty that your work will be done in a workmanlike manner-
2. Punitive or exemplary damages because of bodily injury to an employee employed in violation of law-
3. Bodily injury to an employee while employed in violation of law with your actual knowledge or the actual knowledge of any of your executive officers-
4. Any obligation imposed by a workers compensation, occupational disease, unemployment compensation, or disability benefits law, or any similar law-
5. Bodily injury intentionally caused or aggravated by you-
6. Bodily injury occurring outside the United States of America, its territories or possessions, and Canada. This exclusion does not apply to bodily injury to a citizen or resident of the United States of America or Canada who is temporarily outside these countries-
7. Damages arising out of coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination against or termination of any employee, or any personnel practices, policies, acts or omissions;
8. Bodily injury to any person in work subject to the Longshore and Harbor Workers Compensation Act (33 U.S.C. Sections 901 et seq.), the Nonappropriated Fund Instrumentalities Act (5 U.S.C. Sections 8171 et seq.), the Outer Continental Shelf Lands Act (43 U.S.C. Sections 1331 et seq.), the Defense Base Act (42 U.S.C. Sections 1651--1654), the Federal Mine Safety and Health

Act (30 U.S.C. Sections 801 et seq. and 901-944), any other federal workers or workmens compensation law or other federal occupational disease law, or any amendments to these laws-

Bodily injury to any person in work subject to the Federal Employers Liability Act (45 U.S.C. Sections 51 et seq.), any other federal laws obligating an employer to pay damages to an employee due to bodily injury arising out of or in the course of employment, or any amendments to those laws-

9. Bodily injury to a master or member of the crew of any vessel, and does not cover punitive damages related to your duty or obligation to provide transportation, wages, maintenance, and cure under any applicable maritime law;
10. Fines or penalties imposed for violation of federal or state law- and
11. Damages payable under the Migrant and Seasonal Agricultural Worker Protection Act (29 U.S.C. Sections 1801 et seq.) and under any other federal law awarding damages for violation of those laws or regulations issued thereunder, and any amendments to those laws.

### D. We Will Defend

We have the right and duty to defend, at our expense, any claim, proceeding or suit against you for damages payable by this insurance. We have the right to investigate and settle these claims, proceedings and suits.

We have no duty to defend a claim, proceeding or suit that is not covered by this insurance. We have no duty to defend or continue defending after we have paid our applicable limit of liability under this insurance.

### E. We Will Also Pay

We will also pay these costs, in addition to other amounts payable under this insurance, as part of any claim, proceeding, or suit we defend:

1. Reasonable expenses incurred at our request, but not loss of earnings-
2. Premiums for bonds to release attachments and for appeal bonds in bond amounts up to the limit of our liability under this insurance-
3. Litigation costs taxed against you-
4. Interest on a judgment as required by law until we offer the amount due under this insurance- and
5. Expenses we incur.

**F. Other Insurance**

We will not pay more than our share of damages and costs covered by this insurance and other insurance or self-insurance. Subject to any limits of liability that apply, all shares will be equal until the loss is paid. If any insurance or self-insurance is exhausted, the shares of all remaining insurance and self-insurance will be equal until the loss is paid.

**G. Limits of Liability**

Our liability to pay for damages is limited. Our limits of liability are shown in Item 3.B. of the Information Page. They apply as explained below.

1. **Bodily Injury by Accident.** The limit shown for bodily injury by accident each accident is the most we will pay for all damages covered by this insurance because of bodily injury to one or more employees in any one accident.

A disease is not bodily injury by accident unless it results directly from bodily injury by accident.

2. **Bodily Injury by Disease.** The limit shown for bodily injury by disease policy limit is the most we will pay for all damages covered by this insurance and arising out of bodily injury by disease, regardless of the number of employees who sustain bodily injury by disease. The limit shown for bodily injury by disease each employee is the most we will pay for all damages because of bodily injury by disease to any one employee.

Bodily injury by disease does not include disease that results directly from a bodily injury by accident.

3. We will not pay any claims for damages after we have paid the applicable limit of our liability under this insurance.

**H. Recovery From Others**

We have your rights to recover our payment from anyone liable for an injury covered by this insurance. You will do everything necessary to protect those rights for us and to help us enforce them.

**I. Actions Against Us**

There will be no right of action against us under this insurance unless:

1. You have complied with all the terms of this policy- and

2. The amount you owe has been determined with our consent or by actual trial and final judgment.

This insurance does not give anyone the right to add us as a defendant in an action against you to determine your liability. The bankruptcy or insolvency of you or your estate will not relieve us of our obligations under this Part.

**PART THREE  
OTHER STATES INSURANCE**

**A. How This Insurance Applies**

1. This other states insurance applies only if one or more states are shown in Item 3.C. of the Information Page.
2. If you begin work in any one of those states after the effective date of this policy and are not insured or are not self-insured for such work, all provisions of the policy will apply as though that state were listed in Item 3.A. of the Information Page.
3. We will reimburse you for the benefits required by the workers compensation law of that state if we are not permitted to pay the benefits directly to persons entitled to them.
4. If you have work on the effective date of this policy in any state not listed in Item 3.A. of the Information Page, coverage will not be afforded for that state unless we are notified within thirty days.

**B. Notice**

Tell us at once if you begin work in any state listed in Item 3.C. of the Information Page.

**PART FOUR  
YOUR DUTIES IF INJURY OCCURS**

Tell us at once if injury occurs that may be covered by this policy. Your other duties are listed here.

1. Provide for immediate medical and other services required by the workers compensation law.
2. Give us or our agent the names and addresses of the injured persons and of witnesses, and other information we may need.
3. Promptly give us all notices, demands and legal

papers related to the injury, claim, proceeding or suit.

4. Cooperate with us and assist us, as we may request, in the investigation, settlement or defense of any claim, proceeding or suit.
5. Do nothing after an injury occurs that would interfere with our right to recover from others.
6. Do not voluntarily make payments, assume obligations or incur expenses, except at your own cost.

## PART FIVE PREMIUM

### A. Our Manuals

All premium for this policy will be determined by our manuals of rules, rates, rating plans and classifications. We may change our manuals and apply the changes to this policy if authorized by law or a governmental agency regulating this insurance.

### B. Classifications

Item 4 of the Information Page shows the rate and premium basis for certain business or work classifications. These classifications were assigned based on an estimate of the exposures you would have during the policy period. If your actual exposures are not properly described by those classifications, we will assign proper classifications, rates and premium basis by endorsement to this policy.

### C. Remuneration

Premium for each work classification is determined by multiplying a rate times a premium basis. Remuneration is the most common premium basis. This premium basis includes payroll and all other remuneration paid or payable during the policy period for the services of:

1. all your officers and employees engaged in work covered by this policy; and
2. all other persons engaged in work that could make us liable under Part One (Workers Compensation Insurance) of this policy. If you do not have payroll records for these persons, the contract price for their services and materials may be used as the premium basis. This paragraph 2 will not apply if you give us proof that the employers of these persons lawfully secured their workers compensation obligations.

### D. Premium Payments

You will pay all premium when due. You will pay the premium even if part or all of a workers compensation law is not valid.

### E. Final Premium

The premium shown on the Information Page, schedules, and endorsements is an estimate. The final premium will be determined after this policy ends by using the actual, not the estimated, premium basis and the proper classifications and rates that lawfully apply to the business and work covered by this policy. If the final premium is more than the premium you paid to us, you must pay us the balance. If it is less, we will refund the balance to you. The final premium will not be less than the highest minimum premium for the classifications covered by this policy.

If this policy is canceled, final premium will be determined in the following way unless our manuals provide otherwise:

1. If we cancel, final premium will be calculated pro rata based on the time this policy was in force. Final premium will not be less than the pro rata share of the minimum premium.
2. If you cancel, final premium will be more than pro rata; it will be based on the time this policy was in force, and increased by our short-rate cancellation table and procedure. Final premium will not be less than the minimum premium.

### F. Records

You will keep records of information needed to compute premium. You will provide us with copies of those records when we ask for them.

### G. Audit

You will let us examine and audit all your records that relate to this policy. These records include ledgers, journals, registers, vouchers, contracts, tax reports, payroll and disbursement records, and programs for storing and retrieving data. We may conduct the audits during regular business hours during the policy period and within three years after the policy period ends. Information developed by audit will be used to determine final premium. Insurance rate service organizations have the same rights we have under this provision.

**PART SIX  
CONDITIONS**

**A. Inspection**

We have the right, but are not obliged to inspect your workplaces at any time. Our inspections are not safety inspections. They relate only to the insurability of the workplaces and the premiums to be charged. We may give you reports on the conditions we find. We may also recommend changes. While they may help reduce losses, we do not undertake to perform the duty of any person to provide for the health or safety of your employees or the public. We do not warrant that your workplaces are safe or healthful or that they comply with laws, regulations, codes or standards. Insurance rate service organizations have the same rights we have under this provision.

**B. Long Term Policy**

If the policy period is longer than one year and sixteen days, all provisions of this policy will apply as though a new policy were issued on each annual anniversary that this policy is in force.

**C. Transfer of Your Rights and Duties**

Your rights or duties under this policy may not be transferred without our written consent.

If you die and we receive notice within thirty days after your death, we will cover your legal representative as insured.

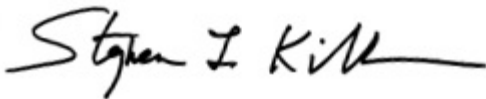
**D. Cancellation**

1. You may cancel this policy. You must mail or deliver advance written notice to us stating when the cancellation is to take effect.
2. We may cancel this policy. We must mail or deliver to you not less than ten days advance written notice stating when the cancellation is to take effect. Mailing that notice to you at your mailing address shown in Item 1 of the Information Page will be sufficient to prove notice.
3. The policy period will end on the day and hour stated in the cancellation notice.
4. Any of these provisions that conflict with a law that controls the cancellation of the insurance in this policy is changed by this statement to comply with the law.

**E. Sole Representative**

The insured first named in Item 1 of the Information Page will act on behalf of all insureds to change this policy, receive return premium, and give or receive notice of cancellation.

In Witness Whereof, the COMPANY has caused this policy to be signed by its President, or a Vice-President and Secretary, at Blue Bell, PA.



Secretary



President



OLD REPUBLIC INSURANCE GROUP

**VOLUNTARY COMPENSATION AND EMPLOYERS LIABILITY COVERAGE ENDORSEMENT**

This endorsement adds Voluntary Compensation Insurance to the policy.

**A. How This Insurance Applies**

This insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

1. The bodily injury must be sustained by an employee included in the group of employees described in the Schedule.
2. The bodily injury must arise out of and in the course of employment necessary or incidental to work in a state listed in the Schedule.
3. The bodily injury must occur in the United States of America, its territories or possessions, or Canada, and may occur elsewhere if the employee is a United States or Canadian citizen temporarily away from those places.
4. Bodily injury by accident must occur during the policy period.
5. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.

**B. We Will Pay**

We will pay an amount equal to the benefits that would be required of you if you and your employees described in the Schedule were subject to the workers compensation law shown in the Schedule. We will pay those amounts to the persons who would be entitled to them under the law.

**C. Exclusions**

This insurance does not cover:

1. any obligation imposed by a workers compensation or occupational disease law, or any similar law.
2. bodily injury intentionally caused or aggravated by you.

**D. Before We Pay**

Before we pay benefits to the persons entitled to them, they must:

1. Release you and us, in writing, of all responsibility for the injury or death.
2. Transfer to us their right to recover from others who may be responsible for the injury or death.
3. Cooperate with us and do everything necessary to enable us to enforce the right to recover from others.

If the persons entitled to the benefits of this insurance fail to do those things, our duty to pay ends at once. If they claim damages from you or from us for the injury or death, our duty to pay ends at once.

**E. Recovery From Others**

If we make a recovery from others, we will keep an amount equal to our expenses of recovery and the benefits we paid. We will pay the balance to the persons entitled to it. If the persons entitled to the benefits of this insurance make a recovery from others, they must reimburse us for the benefits we paid them.

**F. Employers Liability Insurance**

Part Two (Employers Liability Insurance) applies to bodily injury covered by this endorsement as though the State of Employment shown in the Schedule were shown in Item 3.A. of the Information Page.

(Ed. 8-91)

POLICY NUMBER: 202101-12-78-94-4Y

Schedule

**Employees**

VOLUNTARY COMPENSATION FOR ALL BOARD MEMBERS AND COMMITTEE MEMBERS WORKING ON BEHALF OF THE ASSOCIATION IN THEIR OFFICIAL CAPACITY. ANY VOLUNTEER WORKING ON BEHALF OF THE ASSOCIATION VIA AN OFFICIAL MOTION OF THE BOARD OF DIRECTORS. THIS APPLIES TO ACTIVITIES FOR WHICH A SPECIFIC LICENSE OR TRAINING IS NOT REQUIRED

**State of Employment**  
NC

**Designated Workers  
Compensation Law**  
STATE OF HIRE

DATE OF ISSUE: 06-15-21

WC 00 03 11 A

(Ed. 8-91)

POLICY NUMBER: 202101-12-78-94-4Y

**90-DAY REPORTING REQUIREMENT—NOTIFICATION OF CHANGE IN OWNERSHIP ENDORSEMENT**

You must report any change in ownership to us in writing within 90 days of the date of the change. Change in ownership includes sales, purchases, other transfers, mergers, consolidations, dissolutions, formations of a new entity, and other changes provided for in the applicable experience rating plan. Experience rating is mandatory for all eligible insureds. The experience rating modification factor, if any, applicable to this policy, may change if there is a change in your ownership or in that of one or more of the entities eligible to be combined with you for experience rating purposes.

Failure to report any change in ownership, regardless of whether the change is reported within 90 days of such change, may result in revision of the experience rating modification factor used to determine your premium.

This reporting requirement applies regardless of whether an experience rating modification is currently applicable to this policy.

DATE OF ISSUE: 06-15-21

**WC 00 04 14 A**

(Ed. 1-19)

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POLICY NUMBER: 202101-12-78-94-4Y

## PREMIUM DUE DATE ENDORSEMENT

This endorsement is used to amend:

Section D. of Part Five of the policy is replaced by this provision.

### PART FIVE PREMIUM

D. **Premium** is amended to read:

You will pay all premium when due. You will pay the premium even if part or all of a workers compensation law is not valid. **The due date for audit and retrospective premiums is the date of the billing.**

DATE OF ISSUE: 06-15-21

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POLICY NUMBER: 202101-12-78-94-4Y

**Catastrophe (Other Than Certified Acts of Terrorism) Premium Endorsement**

This endorsement is notification that your insurance carrier is charging premium to cover the losses that may occur in the event of a Catastrophe (Other Than Certified Acts of Terrorism) as that term is defined below. Your policy provides coverage for workers compensation losses caused by a Catastrophe (Other Than Certified Acts of Terrorism). This premium charge does not provide funding for Certified Acts of Terrorism contemplated under the Terrorism Risk Insurance Program Reauthorization Act Disclosure Endorsement (WC 00 04 22 C), attached to this policy.

For purposes of this endorsement, the following definitions apply:

- Catastrophe (Other Than Certified Acts of Terrorism): Any single event, resulting from an Earthquake, Noncertified Act of Terrorism, or Catastrophic Industrial Accident, which results in aggregate workers compensation losses in excess of \$50 million.
- Earthquake: The shaking and vibration at the surface of the earth resulting from underground movement along a fault plane or from volcanic activity.
- Noncertified Act of Terrorism: An event that is not certified as an Act of Terrorism by the Secretary of the Treasury pursuant to the Terrorism Risk Insurance Act of 2002 (as amended) but that meets all of the following criteria:
  - a. It is an act that is violent or dangerous to human life, property, or infrastructure;
  - b. The act results in damage within the United States, or outside of the United States in the case of the premises of United States missions or air carriers or vessels as those terms are defined in the Terrorism Risk Insurance Act of 2002 (as amended); and
  - c. It is an act that has 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.
- Catastrophic Industrial Accident: A chemical release, large explosion, or small blast that is localized in nature and affects workers in a small perimeter the size of a building.

The premium charge for the coverage your policy provides for workers compensation losses caused by a Catastrophe (Other Than Certified Acts of Terrorism) is shown in Item 4 of the Information Page or in the Schedule below.

**Schedule**

<b>State</b>	<b>Rate</b>	<b>Premium</b>
<b>NC</b>	<b>. 01</b>	<b>\$0</b>

DATE OF ISSUE: 06-15-21

**Terrorism Risk Insurance Program Reauthorization Act Disclosure Endorsement**

This endorsement addresses the requirements of the Terrorism Risk Insurance Act of 2002 as amended and extended by the Terrorism Risk Insurance Program Reauthorization Act of 2019. It serves to notify you of certain limitations under the Act, and that your insurance carrier is charging premium for losses that may occur in the event of an Act of Terrorism.

Your policy provides coverage for workers compensation losses caused by Acts of Terrorism, including workers compensation benefit obligations dictated by state law. Coverage for such losses is still subject to all terms, definitions, exclusions, and conditions in your policy, and any applicable federal and/or state laws, rules, or regulations.

**Definitions**

The definitions provided in this endorsement are based on and have the same meaning as the definitions in the Act. If words or phrases not defined in this endorsement are defined in the Act, the definitions in the Act will apply.

“Act” means the Terrorism Risk Insurance Act of 2002, which took effect on November 26, 2002, and any amendments thereto, including any amendments resulting from the Terrorism Risk Insurance Program Reauthorization Act of 2019.

“Act of Terrorism” means any act that is certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security, and the Attorney General of the United States, as meeting all of the following requirements:

- a. The act is an act of terrorism.
- b. The act is violent or dangerous to human life, property, or infrastructure.
- c. The act resulted in damage within the United States, or outside of the United States in the case of the premises of United States missions or certain air carriers or vessels.
- d. The act has 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.

“Insured Loss” means any loss resulting from an act of terrorism (and, except for Pennsylvania, including an act of war, in the case of workers compensation) that is covered by primary or excess property and casualty insurance issued by an insurer if the loss occurs in the United States or at the premises of United States missions or to certain air carriers or vessels.

“Insurer Deductible” means, for the period beginning on January 1, 2021, and ending on December 31, 2027, an amount equal to 20% of our direct earned premiums during the immediately preceding calendar year.

(Ed. 01-2021)

POLICY NUMBER: 202101-12-78-94-4Y

**Limitation of Liability**

The Act limits our liability to you under this policy. If aggregate Insured Losses exceed \$100,000,000,000 in a calendar year and if we have met our Insurer Deductible, we are not liable for the payment of any portion of the amount of Insured Losses that exceeds \$100,000,000,000; and for aggregate Insured Losses up to \$100,000,000,000, we will pay only a pro rata share of such Insured Losses as determined by the Secretary of the Treasury.

**Policyholder Disclosure Notice**

1. Insured Losses would be partially reimbursed by the United States Government. If the aggregate industry Insured Losses occurring in any calendar year exceed \$200,000,000, the United States Government would pay 80% of our Insured Losses that exceed our Insurer Deductible.
2. Notwithstanding item 1 above, the United States Government will not make any payment under the Act for any portion of Insured Losses that exceed \$100,000,000,000.
3. The premium charge for the coverage your policy provides for Insured Losses is included in the amount shown in Item 4 of the Information Page or in the Schedule below.

**Schedule**

<b>State</b>	<b>Rate</b>	<b>Premium</b>
<b>NC</b>	<b>.007</b>	<b>\$0</b>

DATE OF ISSUE: 06-15-21

POLICY NUMBER: 202101-12-78-94-4Y

**AUDIT NONCOMPLIANCE CHARGE ENDORSEMENT**

Part Five—Premium, Section G. (Audit) of the Workers Compensation and Employers Liability Insurance Policy is revised by adding the following:

If you do not allow us to examine and audit all of your records that relate to this policy, and/or do not provide audit information as requested, we may apply an Audit Noncompliance Charge. The method for determining the Audit Noncompliance Charge by state, where applicable, is shown in the Schedule below.

If you allow us to examine and audit all of your records after we have applied an Audit Noncompliance Charge, we will revise your premium in accordance with our manuals and Part 5—Premium, E. (Final Premium) of this policy.

Failure to cooperate with this policy provision may result in the cancellation of your insurance coverage, as specified under the policy.

**Note:**

For coverage under state-approved workers compensation assigned risk plans, failure to cooperate with this policy provision may affect your eligibility for coverage.

**Schedule**

<b>State(s)</b>	<b>Basis of Audit Noncompliance Charge</b>	<b>Maximum Audit Noncompliance Charge Multiplier</b>
<b>NC</b>	<b>Estimated Annual Premium</b>	<b>Up to three times</b>

DATE OF ISSUE: 06-15-21

**NORTH CAROLINA AMENDED COVERAGE ENDORSEMENT**

This endorsement applies only to the insurance provided by the policy because North Carolina is shown in Item 3.A. of the Information Page.

The **Cancellation** Condition of the policy is replaced by this Condition:

**D. Cancellation and Nonrenewal**

1. You may cancel this policy.  
If you cancel this policy, you must mail or deliver advance written notice to us stating when the cancellation is to take effect.
2. We may cancel this policy.
  - (a) If this policy has been in effect for fewer than 60 days and is not a renewal policy, we may cancel this policy for any reason by giving you at least 30 days prior written notice of cancellation and the reasons for cancellation by registered or certified mail, return receipt requested.
  - (b) If this policy has been in effect for at least 60 days or is a renewal policy, we may not cancel this policy without your prior written consent, except for any one of the following reasons:
    - (1) Nonpayment of premium in accordance with the policy terms.
    - (2) An act or omission by you or your representative that constitutes material misrepresentation or nondisclosure of a material fact in obtaining the policy, continuing the policy, or presenting a claim under the policy.
    - (3) Increased hazard or material change in the risk assumed that could not have been reasonably contemplated by you and us at the time of assumption of the risk.
    - (4) Substantial breach of contractual duties, conditions, or warranties that materially affects the insurability of the risk.
    - (5) A fraudulent act against us by you or your representative that materially affects the insurability of the risk.
    - (6) Willful failure by you or your representative to institute reasonable loss control measures that materially affect the insurability of the risk after written notice by us.
    - (7) Loss of facultative reinsurance or loss of or substantial changes in applicable reinsurance as provided in G.S. 58-41-30.
    - (8) Your conviction of a crime arising out of acts that materially affect the insurability of the risk.
    - (9) A determination by the Commissioner that the continuation of this policy would place us in violation of the laws of North Carolina.
    - (10) You fail to meet the requirements contained in our corporate charter, articles of incorporation, or bylaws, when we are a company organized for the sole purpose of providing members of an organization with insurance coverage in North Carolina.
  - (c) If we cancel for any of the reasons listed in paragraph (b), we must provide you with at least 15 days prior written notice of cancellation stating the precise reason for cancellation. We may provide this notice by registered or certified mail, return receipt requested, to you and any other person designated in the policy to receive notice of cancellation at the addresses shown in the policy or, if not indicated in the policy, at the last known addresses. Whenever notice of cancellation is given by registered or certified mail, cancellation will not be effective unless and until that method is employed and completed. Notice of intent to cancel given by registered or certified mail shall be conclusively presumed completed three days after the notice is sent if, on the same day that notice is sent by registered or certified mail, the insurer also provides notice by first-class mail and by electronic means if available as defined in G.S. 58-2-255(a) to the insured and any other person designated in the policy to receive notice. Any such supplemental notice given by electronic means shall be effective for the limited purpose of establishing this conclusive presumption.

(Ed. 7-18)

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POLICY NUMBER: 202101-12-78-94-4Y

Notice of cancellation may also be given by any method permitted for service of process pursuant to Rule 4 of the North Carolina Rules of Civil Procedure. Failure to send notice as provided in this paragraph to any other person designated in the policy to receive notice of cancellation invalidates the cancellation only as to that other person's interest.

- (d) Cancellation for nonpayment of premium is not effective if the amount due is paid before the effective date stated in the notice of cancellation.
3. We may refuse to renew this policy:
- (a) If this policy is for a term of one year or less, we must provide you with notice of nonrenewal at least 45 days prior to the expiration date of the policy.
  - (b) If this policy is for a term of more than one year or for an indefinite term, then to nonrenew the policy at the policy anniversary date we must provide you with notice of nonrenewal at least 45 days prior to the anniversary date of the policy.
  - (c) The notice of nonrenewal must state the precise reason for nonrenewal. Failure to send this notice, as provided in paragraphs 3 and 5, to any other person designated in the policy to receive this notice invalidates the nonrenewal only as to that other person's interest.
  - (d) Any nonrenewal attempted or made that is not in compliance with paragraphs (a), (b) and (c) is not effective. Paragraphs (a), (b) and (c) do not apply if you have obtained insurance elsewhere, have accepted replacement coverage, or have requested or agreed to nonrenewal.
4. Whenever we lower coverage limits, raise deductibles, or raise premium rates for reasons within our exclusive control and other than at your request, we will mail you written notice of the change at least 30 days in advance of the effective date of the change. As used in this paragraph, the phrase, "reasons within our exclusive control" does not mean experience modification changes, exposure changes, or loss cost rate changes.
5. We must provide the notice required by paragraphs 3 and 4 by mail to you and any other person designated in the policy to receive this notice at the addresses shown in the policy or, if not indicated in the policy, at the last known addresses. Mailing copies of the notice by regular first-class mail satisfies the notice requirements of paragraphs 3, 4 and 5.
6. We will also send copies of the notice required by this endorsement to the agent or broker of record, though failure to send copies of the notice to the agent or broker of record will not invalidate a cancellation or nonrenewal. Mailing copies of the notice by regular first-class mail to the agent or broker of record satisfies the requirements of this paragraph. Notice of nonrenewal may also be given by any method permitted for service of process pursuant to Rule 4 of the North Carolina Rules of Civil Procedure.

DATE OF ISSUE: 06-15-21

**POLICYHOLDER DISCLOSURE  
NOTICE OF TERRORISM  
INSURANCE COVERAGE**

Coverage for acts of terrorism is included in your policy. You are hereby notified that the Terrorism Risk Insurance Act, as amended in 2019, defines an act of terrorism 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 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 is , and does not include any charges for the portion of losses covered by the United States government under the Act.

Name of Insurer: **PMA**

Policy Number: **202101-12-78-94-4Y**



Vintage Grove Homeowners Association, Inc.

<b>Package Comparison</b>	<b>2020-21 McGowan BOP</b>	<b>2021-22 McGowan BOP</b>
<u>Property Coverage</u>		
Pool/Concrete Pad/Filter Equipment	<b>\$125,000</b>	<b>\$125,000</b>
Playground Equipment	<b>\$20,000</b>	<b>\$20,000</b>
Gazebo	<b>\$25,000</b>	<b>\$25,000</b>
Brick Fencing and Lighting	<b>\$10,000</b>	<b>\$10,000</b>
Metal Fence around Pool	<b>\$12,500</b>	<b>\$12,500</b>
Frame Bath House	<b>\$75,000</b>	<b>\$75,000</b>
Wooden Entrance Sign	<b>\$5,000</b>	<b>\$5,000</b>
Pool Furniture	<b>\$7,500</b>	<b>\$7,500</b>
Sports Courts	<b>\$5,000</b>	<b>\$5,000</b>
Deductible	<b>\$500</b>	<b>\$500</b>
General Liability Limits - 95 Units	\$1 Mil / \$2 Mil	\$1 Mil / \$2 Mil
Medical Payments	\$5,000	\$5,000
Employee Dishonesty	\$50,000	\$50,000
Property Manager as add. insured	Included	Included
<b>Package Premium:</b>	<b>\$928</b>	<b>\$980</b>
<b>\$1 Mil Directors and Officers</b>	<b>2020-21 IHG Stand Alone D&amp;O</b>	<b>2021-22 IHG Stand Alone D&amp;O</b>
Discrimination	<b>Included</b>	<b>Included</b>
Failure to procure insurance	<b>Included</b>	<b>Included</b>
Breach of Contract	Included	Included
Libel and Slander	<b>Included</b>	<b>Included</b>
Past and Future Board Members	<b>Included</b>	<b>Included</b>
Non-monetary defense	Included	Included
Board members other than Officers	Included	Included
Punitive Damages Included for the D&O	<b>Included</b>	<b>Included</b>
Developer/Declarant on or as the Board	<b>Included</b>	<b>Included</b>
Cyber liability Coverage	<b>Yes</b>	<b>Yes</b>
D&O Claims Helpline	<b>Yes</b>	<b>Yes</b>
Defense outside the Limits	<b>Yes</b>	<b>Yes</b>
Full Prior Acts	<b>Included</b>	<b>Included</b>
<b>D&amp;O Premium:</b>	<b>\$1,037</b>	<b>\$1,045</b>
<b>Total Insurance Program:</b>	<b>\$1,965</b>	<b>\$2,025</b>

Vintage Grove Homeowners Association, Inc.

Optional Coverages		IHG Crime and Fidelity
		<b><i>Broad Definition</i></b>
\$50,000		<b>\$303</b>
		<b>IHG Umbrella</b>
\$1 Million		<b>\$569.56</b>
\$2 Million		<b>\$655.50</b>
\$5 Million		<b>\$857.50</b>

This is a summary of coverage only. Flood and earthquake are not included.  
 Property values are determined by the Board of Directors.