PACKAGE FIRST COVERAGE FORM

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(Please refer to the Supplemental Declarations Page under Limits of Insurance and under Limits of Liability to determine which of the following coverages are provided. If a Limit of Liability/Insurance is shown for a Coverage Part or Coverage Form, the policy provides that coverage as explained on the following pages).

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Declarations Page

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PACKAGE FIRST COVERAGE FORM

This policy consists of one or more of the following coverages: **Property Coverage, General Liability (Occurrence Coverage), Law Enforcement Liability (Occurrence Coverage), Public Officials Liability (Claims-Made Coverage) and Employment Practices Liability (Claims-Made Coverage).** Please refer to the Declarations to determine which of these coverages applies to your insurance program.

Throughout this policy the words "you", "your" and "Assured" refer to the Named Insured in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we," "us", "our" or "company" are amended to read "Underwriters at Lloyd's, London" on the Declarations page as the insurer.

COMMON POLICY CONDITIONS

All coverages and provisions of this policy are subject to the following conditions:

1. **Bankruptcy**

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

2. **Cancellation**

   a. The first Named Insured shown in the Declaration may cancel this policy by mailing or delivering to us advance written notice of cancellation.

   b. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

      (1) Ten (10) days before the effective date of cancellation, if we cancel for nonpayment of any premium when due; or

      (2) Sixty (60) days before the effective date of cancellation, if we cancel for any other reason

   c. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.

   d. Notice of cancellation by us will state the effective date of the cancellation. The "policy period" will end on that date.

   e. If this policy is canceled, 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.

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

3. **When We Do Not Renew.**

   a. If we decide not to renew this policy, we will mail or deliver written notice of non-renewal to the first Named Insured at least one hundred twenty (120) days before the end of the "policy period."

   b. If notice is mailed, we will mail it to the last mailing address known to us of the first Named Insured. Proof of mailing will be sufficient proof of notice.

4. **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.

5. **Examination Of Your Books And Records.**

   We may examine your books and records as they relate to this policy at any time during the "policy period" and up to three years afterward. We may do the same as to the books and records of any organization you newly acquire or form that is deemed to be a Named Insured under this policy.

6. **Inspections And Surveys.**

   We have the right but are not obligated to:

   a. Make inspections and surveys at any time;

   b. Give you reports on the conditions we find; and

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c. Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. Such inspections are not safety inspections. We do not undertake any duty to provide for the health or safety of any person and we do not represent or warrant that conditions:

a. Are safe or healthful; or

b. Comply with laws, regulations, codes or standards.

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

7. **Liberalization.**

If we adopt a change during the "policy period" in this form or rules that would broaden the coverage of this policy without charge, such broader coverage will apply to this policy when the change becomes effective in your state. Such broader coverage applies only until the end of the "policy period."

8. **Premiums.**

a. The first Named Insured:

(1) Is responsible for payment of all premiums when due; and

(2) Will be the payee for any return premiums we pay.

b. 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.

9. **Transfer Of Your Rights And Duties Under This Policy.**

Your rights, including recovery rights, and duties under this policy may not be transferred without our written consent. In the event of recovery, the proceeds will be divided in the following priority, including those expenses incurred in pursuing such recovery:

a. Any insured or insurer who paid amounts in excess of the Limits of Insurance of this Policy.

b. Our expenses and payments made under this policy.

c. You and any other insurer who paid an amount below our limits of insurance of this policy.

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.

10. **Conflicting Statutes.**

Terms and conditions of this policy which are in conflict with the statutes of the state wherein this policy is issued are hereby amended to conform to such statutes.

11. **Representations.**

By accepting this policy, you agree:

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

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

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

Coverage will continue to apply if you:

a. Unintentionally fail to disclose all hazards existing at the inception of this policy; or

b. Unintentionally make an error, omission or improper description of premises or other statement of information stated in this policy.

You must notify us as soon as possible after discovery of any hazard or any other information that was not provided to us prior to the acceptance of this policy.

This provision does not affect our right to collect additional premium or exercise our right of cancellation or non-renewal under this policy.

12. **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 and conditions have been fully complied with.

Any suit must be started within one year after the date of loss or damage.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this policy or that are in excess of the limit of liability.

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An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

We are not liable for costs incurred in defending "claims" against the insured that are not covered under the respective coverage form of this Policy. We reserve the right to seek reimbursement from the insured, through direct action against the insured or otherwise, for any fees or costs incurred in defending said insured against non-covered "claims".

13. **Separation Of Insureds.**

Except with respect to the Limits of 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.

14. **Transfer Of Rights Of Recovery Against Others To Us.**

If the insured has rights to recover all or a 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.

15. **Risk Transfer**

Whenever you enter into an agreement with another party requiring the other party to provide

liability insurance to you, this policy will be excess over any other valid and collectible insurance that has been provided to you, except insurance specifically arranged to be excess of this Coverage Part.

16. **Sovereign Immunity and Damages Caps**

For any amount for which the insured would not be liable under applicable governmental or sovereign immunity but for the existence of this policy; and the issuance of this insurance shall not be deemed a waiver of any statutory immunities by or on behalf of any insured, nor of any statutory limits on the monetary amount of liability applicable to any insured were this policy not in effect; and as respects to any "claim", we expressly reserve any and all rights to deny liability by reason of such immunity, and to assert the limitations as to the amount of liability as might be provided by law.

17. **Two Or More Coverage Forms**

The maximum limit of liability under all of the coverage forms shall not exceed the highest applicable limit of liability under any one coverage form in this policy. The deductible applicable to the coverage form providing the highest limit of liability will be applied to the claim. If the limits are the same for all coverage forms, the lowest applicable deductible will apply. The limit of liability available for General Liability and separately, for Law Enforcement Liability cannot be eroded by payment of loss under any other coverage section.

18. **Other Insurance**

The insurance afforded by this policy is excess over any other insurance, whether primary, excess, contingent or on any other basis, except when purchased specifically to apply in excess of this insurance.

If this insurance is excess, we will have no duty under this policy to defend any loss, "claim", or "suit" that any other insurer has a duty to defend. If no other insurer defends, we may undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When both this insurance and the other insurance apply to the loss on the same basis, we will not be liable under this policy for a greater proportion of the loss than that stated in the applicable contribution provision below:

a. CONTRIBUTION BY EQUAL SHARES

If all such other valid and collectible insurance provides for contribution by equal shares, we will not be liable for a greater proportion of such loss than would be payable if each insurer contributes an equal share until the share of each insurer equals the lowest applicable limit of liability under any one policy or the full amount of the loss is paid, and with respect to any amount of loss not so paid, the remaining insurers then continue to contribute equal shares of the remaining amount of the loss until each such insurer has paid its limits in full or the full amount of the loss is paid;

b. CONTRIBUTION BY LIMITS

If any of such other insurance does not provide for contribution by equal shares, we will not be liable for a greater proportion of such loss than that which the applicable Limit of Liability under this Coverage Form, for such loss, bears to the total applicable limit of liability of all valid and collectible insurance against such loss.

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BUILDING AND PERSONAL PROPERTY COVERAGE FORM

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

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

Other words and phrases that appear in quotation marks have special meaning. Refer to SECTION VII – DEFINITIONS.

SECTION I—COVERAGE

A. BASIC COVERAGE

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

1. **Covered Property**

   Covered Property, as used in this policy, means the type of property as described in this SECTION I, 1., and limited in SECTION I, 2., Property Not Covered, if a Limit of Insurance is shown in the Declarations for that type of property.

   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) 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;

         (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering; and

         (e) Outdoor park and athletic field bleachers;

      (5) 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 1,000 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 at the described premises or in the open (or in a vehicle) within 1,000 feet of the described premises, 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 SECTION V—PROPERTY LOSS CONDITIONS, 6.d.(2);

      (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 for which you have a contractual responsibility to insure, unless otherwise provided for under Paragraph SECTION I, 1.b.(2) or under Contractor's Equipment – Non-Owned Coverage Extensions.

   c. Business Personal Property while on premises, in transit or away from premises you own, lease or operate consisting of the following:

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(1) Grounds maintenance equipment. This includes but is not limited to lawnmowers, tractors and snowblowers;

(2) Contractors equipment. This includes mobile machinery, equipment and tools used in your street and road maintenance or construction operations;

(3) Miscellaneous portable equipment. This coverage is limited to walkie-talkies, radios and portable communications equipment, firearms, other law enforcement equipment, voting booths, scientific equipment, musical instruments, band uniforms, audiovisual equipment, sports equipment and theatrical scenery and costumes; and

(4) "Emergency Service Portable Equipment" which means portable firefighting, ambulance or rescue-related equipment used for emergency rescue and treatment purposes subject to the following:

(a) Equipment you own is included within the Business Personal Property limit shown in the Declarations.

(b) Equipment you do not own which is furnished to you is covered up to $25,000.

2. **Property Not Covered**

Covered Property does not include:

a. Aircraft, automobiles, motortrucks and other vehicles subject to motor vehicle registration;

b. Animals, except as provided under the Coverage Extensions;

c. Bridges, roadways, walks, patios or other paved surfaces; except as provided in the Coverage Extensions;

d. "Money" or "securities" except as provided in the:

(1) Money and Securities Additional Coverages; or

(2) Employee Dishonesty Additional Coverages;

e. Contraband, or property in the course of illegal transportation or trade;

f. Land (including land on which the property is located), water, growing crops or lawns;

g. 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, all except as provided in the Coverage Extensions;

h. The cost of excavation, grading, backfilling or filling, except for sewage lift system stations and ejector stations;

i. Retaining walls that are not part of a building; except as provided in the Coverage Extensions;

j. Property that is covered under another coverage form of this or any other policy in which it is more specifically described, except for the excess of the amount due (whether you can collect on it or not) from that other insurance; or

k. Watercraft (including motors, equipment and accessories) unless under 51 feet in length and shown on the statement of values on file with the company;

(This paragraph k. does not apply to rowboats or canoes which are out of water at the premises shown in the Declarations.)

l. The following property while outside of buildings; grain, hay, straw or other crops;

m. Underground pipes, flues, drains, tanks, or connections, except as provided in the Coverage Extensions;

n. Electronic data, except as provided under the Additional Coverage - Personal Computers, Communication Equipment, EDP Equipment, Electronic Data or Media. Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data. This paragraph does not apply to your "stock" of prepackaged software;

o. The cost to research, replace or restore the information on valuable papers and records, including those which exist on electronic or magnetic media, except as provided in the Coverage Extensions;

p. Overhead transmission and distribution lines, including supporting poles or towers; and

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q. Bulkheads, pilings, piers, wharves or docks.

3. **Covered Causes of Loss**

RISKS OF DIRECT PHYSICAL LOSS unless the loss is:

a. Excluded in SECTION II—EXCLUSIONS; or

b. Limited in SECTION I, part 4. Limitations; that follow.

4. **Limitations –**

The following Limitations apply to all policy forms and endorsements, unless otherwise stated.

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, but there is no physical evidence to show what happened to it, such as shortage disclosed on taking inventory. 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; and

(5) Gutters and downspouts caused by or resulting from weight of snow, ice or sleet.

b. With respect to glass (other than glass building blocks) that is part of the interior of a building or structure, or part of an outdoor sign, we will not pay more than $500 limit on all loss or damage in any one occurrence. Subject to the $500 limit on all loss or damage, we will not pay more than $100 for each plate, pane, multiple plate insulating unit, radiant or solar heating panel, jalousie, louver or shutter.

This Limitation does not apply to loss or damage by the "specified causes of loss," except vandalism.

c. We will not pay for loss of or damage to fragile articles such as glassware, statuary, marbles, chinaware and porcelains, if broken, unless caused by the "specified causes of loss" or building glass breakage. This restriction does not apply to:

(1) Glass that is part of the interior of a building or structure;

(2) Photographic or scientific instrument lenses; and

(3) Fine Arts under Coverage Extension m. Fine Arts.

d. For loss or damage by theft, the following types of property are covered only up to the limits shown:

(1) $10,000 for furs, fur garments and garments trimmed with fur; and

(2) $10,000 for jewels, pearls, precious and semi-precious 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.

5. **Additional Coverages:**

a. Automated External Defibrillators

We will pay up to a maximum limit of $5,000 for loss or damage caused by a Covered Cause of Loss to Automated External Defibrillators at each described premises.

b. Collapse

The term Covered Cause of Loss includes the Additional Coverage — Collapse as described and limited below.

(1) We will pay for direct physical loss or damage to Covered Property caused by an abrupt collapse of a building or any part of a building insured under this Coverage Form. For purposes of this Additional Coverage - Collapse, an 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.

The abrupt collapse must be caused by one or more of the following:

(a) The "specified causes of loss" or breakage of building glass, all only as insured against in this Coverage Form;

(b) Building decay that is hidden from view, including hidden insect or vermin dam-

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age, unless the presence of such decay is known to an Insured prior to the collapse;

(c) Weight of people or personal property;

(d) Weight of rain that collects on a roof; or

(e) Use of defective material or methods in construction, remodeling or renovation if the collapse occurs during the course of the construction, remodeling or renovation. However, if the collapse occurs after construction, remodeling or renovation is complete and is caused in part by a cause of loss listed in **b.(1)(a)** through b**.(1)(d)** above**,** we will pay for the loss or damage even if use of defective material or methods in construction, remodeling or renovation, contributes to the collapse.

(2) If the direct physical loss or damage does not involve collapse of a building or any part of a building, we will pay for loss or damage to Covered Property caused by the collapse of personal property only if:

(a) The personal property which collapses is inside a building covered under this policy; and

(b) The collapse was caused by a cause of loss listed in **b.(1)(a)** through b**.(1)(e)** above.

(3) With respect to the following property:

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

(b) Awnings, gutters and downspouts;

(c) Yard fixtures;

(d) Outdoor swimming pools;

(e) Fences;

(f) Piers, wharves and docks;

(g) Beach or diving platforms or appurtenances;

(h) Footbridges and pathway appurtenances;

(i) Retaining walls; and

(j) Walks, roadways and other paved surfaces; if the collapse is caused by a cause of loss listed in **b.(1)(b)** through **b.(1)(e)** we will pay for loss or damage to that property only if:

i. Such loss or damage is a direct result of the collapse of a building insured under this Coverage Form; and

ii. Such loss or damage is not a result of freezing, thawing, a lack of reasonable and proper preventive maintenance; and

iii. Such loss or damage is not a result of damage by vehicles or other self-propelled motorized conveyances; and

iv. The property is Covered Property under this Coverage Form.

(4) This Additional Coverage - Collapse does not apply to a building or any part of a building, or any other property that:

(a) Is in danger of falling down or caving in;

(b) Is standing, even if it has separated from another part of the building; or

(c) Is standing, even if it shows evidence of sagging, bending, leaning, settling, cracking, shrinkage, bulging or expansion.

(5) 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.

(6) This Additional Coverage — Collapse will not increase the Limits of Insurance provided in this Coverage Form.

c. "Commandeered Property" of Others (Other Than Automobiles)

We will pay up to a maximum limit of $250,000 for loss or damage caused by a Covered Cause of Loss to property of others that:

(1) Is annexed or requisitioned by civil authority with or without the prior consent of the owner; and

(2) Is being used in a police, fire or rescue emergency to protect persons or property from injury or damage; and

(3) Is in your care, custody or control; and

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(4) There has been no act or agreement before or after the loss or damage that would impair your right to recover from others liable for such loss or damage; and

(5) There has been no compromise or settlement by you with others without our consent; and

(6) You have paid or have become obligated to pay for direct physical loss or damage to "commandeered personal property" an amount in excess of the deductible.

However, our payment for loss of or damage to "commandeered personal property" will only be for the account of the owner of such property.

d. Crime Reward – Excluding Arson

We will pay up to a maximum $25,000 reward if a responsible person is convicted of a crime that causes covered loss or damage. The reward applies for information leading to the arrest and conviction of the person(s) responsible for crimes against you as respects a covered Cause of Loss. The administration of such reward must be completed by an approved independent organization as determined by us.

e. Debris Removal

(1) We will pay your expense to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the earlier of:

(a) The date of direct physical loss or damage; or

(b) The end of the policy period.

(2) The most we will pay under this Additional Coverage is 25% of:

(a) The amount we pay for the direct physical loss of or damage to Covered Property; plus

(b) The deductible in this policy applicable to that loss or damage.

But this limitation does not apply to any additional debris removal limit provided in paragraph (4) below.

(3) This Additional Coverage does not apply to costs to:

(a) Extract "pollutants" from land or water; or

(b) Remove, restore or replace polluted land or water.

(4) If:

(a) The sum of direct physical loss or damage and debris removal expense exceeds the Limit of Insurance; or

(b) The debris removal expense exceeds the amount payable under the 25% Debris Removal coverage limitation in paragraph (2) above;

we will pay up to an additional $25,000 for each location in any one occurrence under the Debris Removal Additional Coverage.

f. Emergency Evacuation Expense

We will pay your reasonable expenses incurred due to the emergency evacuation of the described premises when such evacuation is necessary due to imminent danger of loss of life or harm to occupants as a result of a Covered Cause of Loss.

We will not reimburse you for evacuation expenses arising out of any:

(1) Planned evacuation drills;

(2) Evacuation of any person(s) due to their medical condition;

(3) Strike, bomb threat, or false fire alarm unless a civil authority having jurisdiction orders you to evacuate the covered location; or

(4) Evacuation that is not a result of a Covered Cause of Loss.

The most we will pay for each described premises under this Additional Coverage is $25,000 for the sum of all such covered evacuation expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy.

g. Emergency Real Estate Consulting Fee

We will reimburse you up to $5,000 in any one policy year for any realtor's fee or real estate consultant's fee required by the Named Insured's need to relocate due to loss or damage resulting from a Covered Cause of Loss to the described premises.

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h. Employee Dishonesty

We will pay for direct loss of, or damage to your Business Personal Property, including "money" and "securities," resulting from dishonest acts committed by any of your employees acting alone or in collusion with other persons with the manifest intent to:

(1) Cause you to sustain a loss or damage; and
(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 employees, or
  (b) Any other person or organization intended by the employee to receive that benefit.

We will not pay for loss or damage:

(1) Resulting from any dishonest or criminal act committed by any elected or appointed public official, treasurer, tax collector, officer or director whether acting alone or in collusion with other persons.
(2) A loss or that part of any loss which can only be proved by:
  (a) An inventory computation; or
  (b) A profit and loss computation.
(3) A loss caused by any employee required by law to be individually bonded;
(4) A loss caused by a treasurer or tax collector by whichever name known;
(5) Damages for which you are legally liable as a result of:
  (a) The deprivation or violation of the civil rights of any person by an employee; or
  (b) The tortuous conduct of an employee except conversion of property of other parties held by you in any capacity.

The most we will pay for loss or damage in any one occurrence is $50,000 unless a higher limit is shown in the Declarations.

All loss or damage is considered one occurrence if it:

(1) Is caused by one or more persons; or

(2) Involves a single act or series of related acts.

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.

This coverage does not apply to any employee immediately upon discovery by any elected or appointed official, officer or director not in collusion with the employee, of any dishonest act committed by that employee before or after being hired by you.

We will pay only for covered loss or damage discovered no later than one year from the end of the policy period.

If you (or any predecessor in interest) sustain loss or damage during the period of any prior insurance that you could have recovered under, except that the time within which to discover loss or damage has expired, we will pay for it under this Additional Coverage provided:

(1) This coverage became effective at the time of cancellation or termination of the prior insurance; and

(2) The claim or damage would have been covered by this Additional Coverage had it been in effect when the acts or events causing the loss or damage were committed or occurred.

The insurance under the preceding paragraph is part of, not in addition to, the limit of insurance applying to this Additional Coverage and is limited to the lesser of the amount recoverable under:

(1) This coverage as of its effective date; or

(2) The prior insurance had it remained in effect.

A deductible of $250 will apply.

i. Exterior Building Glass

(1) We will pay for direct physical loss of or damage to glass, including lettering or ornamentation, that is part of the exterior of a covered building or structure at the described premises. The glass must be owned by you, or owned by others but in your care, custody or control. We will also pay for necessary:
  (a) Expenses incurred to put up temporary plates or board up openings;
  (b) Repair or replacement of encasing frames; and

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(c) Expenses incurred to remove or replace obstructions.

(2) SECTION I—COVERAGE, part 3. Covered Causes of Loss and SECTION II—EXCLUSIONS do not apply to this Additional Coverage, except for:

(a) SECTION II part 1.b., Earth Movement;

(b) SECTION II part 1.c., Governmental Action;

(c) SECTION II part 1.d., Nuclear Hazard;

(d) SECTION II part 1.f., War and Military Action, and

(e) SECTION II part 1.g., Water.

(3) We will not pay for loss or damage caused by or resulting from:

(a) Wear and tear;

(b) Hidden or latent defect;

(c) Corrosion; or

(d) Rust.

The most we pay under this Additional Coverage is the Building limit shown in the Declarations.

j. 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 $25,000 for your liability for fire department service charges:

(1) Assumed by contract or agreement prior to loss; or

(2) Required by local ordinance.

This coverage is extended to include the cost to recharge your fire extinguishers which were discharged as a result of a Covered Cause of Loss.

Fire department service charge coverage does not apply in the States of Arizona and Texas.

k. "Fungus", Wet Rot, Dry Rot And Bacteria – Limited Coverage

1. The coverage described in 5**.k.(2)**and 5**.k.(6)** only applies when the "fungus", wet or dry rot or bacteria is the result of one or more of the following causes that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.

(a) A "specified cause of loss" other than fire or lightning; or

(b) Flood, if the Flood Coverage Endorsement applies to the affected premises.

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

(a) Direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot or bacteria, including the cost of removal of the "fungus", wet or dry rot or bacteria;

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

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

3. The coverage described under 5**.k.(2)** of this Limited Coverage is limited to $15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) and Flood which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet or dry rot or bacteria, we will not pay more than a total of $15,000 even if the "fungus", wet or dry rot or bacteria 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 "fungus", wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

If there is covered loss or damage to Covered Property, not caused by "fungus", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the

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extent that "fungus", wet or dry rot or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.

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

6. The following, **(6)(a)** or **(6)(b)**, applies only if Extra Expense and/or Business Income Coverage applies to the described premises and only if the "suspension" of "operations" satisfies all terms and conditions of the applicable Extra Expense and/or Business Income Coverage Extension;

   (a) If the loss which resulted in "fungus", wet or dry rot or bacteria does not in itself necessitate a "suspension" of "operations", but such "suspension" is necessary due to loss or damage to property caused by "fungus", wet or dry rot or bacteria, then our payment under the Extra Expense and Business Income Coverage Extension is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.

   (b) If a covered "suspension" of "operations" was caused by loss or damage other than "fungus", wet or dry rot or bacteria but remediation of "fungus", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

l. Inventory or Appraisal Cost Coverage for Claim Preparation

We will pay up to $10,000 per occurrence for the cost of any inventory or appraisal required as a result of direct physical loss or damage to covered property caused by or resulting from a Covered Cause of Loss.

m. Lease Cancellation Moving Expenses

We will reimburse you up to $2,500 for moving expenses incurred when moving is made necessary by the cancellation of a lease at a described premises, caused by or resulting from a Covered Cause of Loss during the policy term.

n. Money and Securities

(1) We will pay for loss of your “money” or your “securities” or of “money” or “securities” of others that you hold in any capacity, or for which you are responsible, resulting from theft, disappearance or destruction, provided the loss occurs:

   (a) At the described premises;

   (b) Away from the described premises, whether inside or outside the “coverage territory” while such “money” or “securities” are in the possession of your “volunteer workers” or “employees”; or

   (c) Away from the described premises while such “money” or “securities” are in the possession of a depository or an armored vehicle company.

(2) We will not pay for any loss of “money” or “securities” arising from:

   (a) “War”;

   (b) “Nuclear activity”;

   (c) Fraudulent, dishonest or criminal acts committed by a director, officer, trustee, “volunteer worker” or “employees” of your organization, whether acting alone or in collusion with others;

   (d) A sale, exchange, or purchase transaction, including Internet transactions; or

   (e) Accounting, mathematical or record-keeping error.

(3) The amount we will pay for loss of “securities” is the market value of the “securities” at the end of the last business day before the loss was discovered. We will not pay for any “loss of income”, including interest or dividends, that occurs as a result of a loss not otherwise covered under this Coverage Form.

(4) The most we will pay for any loss of “money” or “securities” in the custody of a depository or an armored vehicle company is the portion of the loss that exceeds any amount you recover from:

   (a) The depository or armored vehicle company;

   (b) Insurance carried by the depository or armored vehicle company; or

   (c) Insurance carried by any other person or organization for the benefit of users of the depository’s or armored vehicle company’s services.

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

o. 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 earlier of:

(1) The date of direct physical loss or damage; or

(2) The end of the policy period.

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 described premises under this Additional Coverage is $25,000 for the sum of all such covered expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy.

p. 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 thirty (30) days after the property is first moved.

q. State Forest Fire Expense
(This Coverage Available Only In Those States Where M.R.S.A. Applies)

When a State Forest Ranger or Warden is called to save or protect property from one or more forest fires within the insured's city limits, we will pay up to $25,000 for the "costs" associated with such fire(s) that occur within a 72-hour period during the term of this policy, but we will not pay more than the "costs" you are required to pay under Chapter 9204 of Title 12 M.R.S.A..

We will not make any payment under this Additional Coverage until you have paid or have become legally obligated to pay "costs" that exceed the deductible stated in the Declarations. We will then pay that amount of "costs" that are in excess of this deductible amount, up to the applicable limit. The deductible will apply to any forest fire(s) occurring within a 72-hour period.

"Costs" mean any forest fire service charges you are required to pay for controlling, extinguishing and suppressing forest fires within your city limits under Chapter 9204 of Title 12 M.R.S.A..

r. Temporary Meeting Space

We will reimburse you up to $1,000 in any one policy term for expenses incurred due to the temporary unavailability of your primary office space due to the failure of a climate control system, or leakage of hot water heater, during the policy term. Expenses will be reimbursed only for the rental of temporary meeting space required for meeting parties who are not insured under this policy.

No deductible applies to this Additional Coverage.

s. 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.

6. **Coverage Extensions**

The limit of coverage for each respective Coverage Extension is shown below, unless a higher limit is shown on the Declarations for that coverage. 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). The Deductible shown in the Declarations applies to each of these Extensions, unless otherwise stated. The Additional Condition, Coinsurance, unless otherwise stated, does not apply to these Extensions, however, if a type of property is covered by more than one extension, the most we will pay is the most applicable cover

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age extension. At no time will multiple coverage extensions apply to the same property.

a. 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 re-establish your records of accounts receivable;

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

(2) The most we will pay under this Extension for loss or damage in any one occurrence at the described premises is $250,000 unless a higher limit is shown in the Declarations.

For accounts receivable not at the described premises, the most we will pay is $50,000.

(3) (3) SECTION II—EXCLUSIONS of this Coverage Form does not apply to this Coverage Extension except for:

(a) SECTION II part 1.c., Governmental Action;

(b) SECTION II part 1.d., Nuclear Hazard;

(c) SECTION II part 1.f., War and Military Action, and

(d) SECTION II part 5., Accounts Receivable and "Valuable Papers and Records" Exclusions.

Insurance provided in this Extension will not reduce the Business Personal Property limit shown in the Declarations. If you recover the amount of any accounts receivable that were included in the amount of the paid loss, you will return the recovered amount to us, up to the total amount of the paid loss. You will keep the amount of any accounts receivable you recover in excess of the amount of the paid loss.

b. Animals and Canines

You may extend the insurance that applies to Business Personal Property to apply to animals that are owned by you which are held at a location shown in the Declarations.

This Extension applies only to loss or damage caused by or resulting from "specified causes of loss," building glass breakage, theft, electrocution, attack by dogs or wild animals, accidental shooting or drowning.

Coverage applies only if the animal is killed or its destruction is made necessary.

The most we will pay under this Extension is $1,500 per animal subject to a maximum of $10,000 per occurrence.

c. Appurtenant Buildings or Structures

(1) You may extend the coverage that applies to Building to apply to loss or damage by a Covered Cause of Loss to incidental appurtenant buildings or structures located at or within 100 feet of a described premises, but not specifically described in the Declarations; and

(2) You may extend the insurance that applies to Your Business Personal Property, Personal Property of Others, Personal Computers, Communication Equipment, EDP Equipment, Electronic Data or Media, if any, to apply to loss or damage by a Covered Cause of Loss to such property that is within incidental appurtenant buildings or structures located at a described premises, but not specifically described in the Declarations.

(3) Appurtenant buildings or structures include, but are not limited to storage buildings, garages, pump houses and above ground tanks. But incidental appurtenant buildings or structures do not include:

(a) Any property to which the Outdoor Property Coverage Extension applies;

(b) Outside signs, whether or not attached to buildings; or

(c) Any property that is otherwise excluded under Property Not Covered.

The most we will pay under this Coverage Extension – Appurtenant Buildings or Structures is $10,000.

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d. **Arson Reward**

You may extend the insurance that applies to Building coverage to apply to rewards given to any person or persons, other than you, your officers, your employees or your active members, for information leading to an arson conviction in connection with a fire loss to the described premises.

The most we will pay under this Extension is $25,000 per fire loss. This is the most we will pay regardless of the number of persons who provided information.

Insurance provided under this Extension will not increase the Building limit shown in the Declarations.

No deductible is applicable to this Extension.

This coverage is not available in states where prohibited by law or statute.

e. Building Ordinance or Law Coverages

(1) If a Covered Cause of Loss occurs to covered Building property at described premises, we will pay for loss to the undamaged portion of the building caused by enforcement of any ordinance or law that:

(a) Requires the demolition of parts of the same property not damaged by a Covered Cause of Loss;

(b) Regulates the construction or repair of buildings, or establishes zoning or land use requirements at the described premises; and

(c) Is in force at the time of loss.

This loss to the undamaged portion of the building coverage is included within the limit of insurance applicable to the covered Building property. This is not additional insurance.

Payment for the undamaged portion of the building will be on the same valuation basis applicable to the damaged portion of the building.

(2) Demolition Cost and Increased Cost of Construction

We will pay up to $250,000 unless a higher limit is shown in the Declarations, for:

(a) The cost to demolish and clear the site of undamaged parts of the property caused by enforcement of any building, zoning or land use ordinance or law; and

(b) The increased cost to repair, rebuild or construct the damaged property caused by enforcement of building, zoning or land use law. The repaired or rebuilt property must be intended for similar occupancy as the current property, unless otherwise required by zoning or land use law.

We will not pay for increased construction costs:

(i) When Actual Cash Value applies; or

(ii) Until the property is actually repaired or replaced, at the same or another premises; or

Under this Additional Coverage, we will not pay any costs associated with the enforcement of 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."

(3) This coverage applies only in response to the minimum requirements of the specific ordinance or law that applies to that covered building. Losses and costs incurred in complying with recommended actions or standards that exceed actual requirements to meet the legal obligation of the ordinance or law are not covered.

This Coverage Extension applies only to the following buildings:

(a) A building covered by this policy that sustains direct physical damage from a Covered Cause of Loss that results in required enforcement of the ordinance or law; or

(b) A building covered by this policy that sustains both direct physical damage that is covered under this policy, and direct physical damage that is not covered by this policy, but the building damage in its entirety results in required enforcement of the ordinance or law.

In the situation described in **(2)(b)**, we will not pay for the direct physical damage that is not covered by this policy. We will pay only

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that proportion of the loss that the covered direct physical damage bears to the total physical damage. However, if the covered direct physical damage alone would have resulted in required enforcement of the ordinance or law; we will pay the full amount of loss that would otherwise be payable under the terms of this Coverage Extension.

(4) Loss Payment and Valuation:

(a) We will not pay for any loss due to any ordinance or law:

(1) That applies to any vacant, unoccupied, foreclosed or tax takeover properties;

(2) That you were required to comply with before the loss, even if the building was undamaged; or

(3) That you failed to comply with.

(b) We will not pay more under this Extension than if the repaired or replaced building was:

(1) Rebuilt at the same location, as soon as reasonably possible;

(2) Rebuilt to the same extent the law permits; of the same height, floor area, style and comparable quality as the one it replaces; and

(3) Designed for the same type of occupancy and use as the one it replaces, unless otherwise required by zoning or land use ordinance or law.

The increased rebuilding costs must be kept to the minimum needed to satisfy legal requirements of the ordinance or law. We will not pay for any costs to acquire land on which to rebuild.

(c) If you do not repair or replace the damaged building, we will pay under this Extension only to demolish and clear the site of the damaged and undamaged portions of the building, but our payment will be no greater than the value of that building as shown on the most recent statement of values on file with us.

(d) We will not pay for increased construction costs when the building is valued at Actual Cash Value.

(5) This Extension does not apply to the costs associated with the enforcement of any ordinance or law that requires:

(a) The demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria, asbestos or lead; or

(b) Any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungus", wet or dry rot, bacteria, asbestos or lead.

The most we will pay under this Extension is $350,000 for loss to the undamaged portion of the building and/or its demolition costs. The most we will pay for increased cost of construction as a result of a covered loss occurrence is ten percent (10%) of the value of that building as shown on the most recent statement of values on file with us.

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

f. Business Income and Extra Expense

Payments under the following coverages will not increase the applicable Limits of Insurance provided under this Coverage Extension - Extra Expense and Business Income:

(1) Extra Expense;

(2) Business Income;

(3) Loss of Tax Revenue;

(4) Alterations and Newly Acquired or Constructed Property;

(5) Interruption of Computer Operations;

(6) Civil Authority;

(7) Extra Expense and Business Income for "Dependent Properties; or

(8) Extended Business Income.

Under f**. (1)** through f**. (8)** above, we will not pay for:

(a) Delay in rebuilding, repairing or replacing the property or resuming "operations" due to interference at the location of the rebuilding,

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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".

Coverage provided under this Coverage Extension for Extra Expense and Business Income does not apply to:

(a) Any loss caused by or resulting from direct physical loss or damage to radio or television antennas (including satellite dishes) or their lead-in wiring, masts or towers; or to

(b) Any other consequential loss.

(1) **Extra Expense**

You may extend the insurance provided by this Coverage Form to apply to the actual and necessary extra expense you sustain due to direct physical loss or damage caused by or resulting from a Covered Cause of Loss:

(a) At the described premises; or

(b) At temporary or replacement locations, including:

i. Relocation expenses; and

ii. Costs to equip and operate the replacement or temporary locations.

Extra Expense means necessary expenses you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property:

(a) To avoid or minimize the "suspension" of business and to continue "operations";

(b) To minimize the "suspension" of business if you cannot continue "operations"; or

(c) To repair or replace any property to the extent it reduces the amount of loss that otherwise would have been payable under this Extension.

The most we will pay for loss under this Extension is $500,000. We will not pay for any Extra Expense caused by or resulting from suspension, lapse or cancellation of any license, lease or contract beyond the "period of restoration"; or for any other consequential loss.

(2) **Business Income**

You may extend the insurance provided by this Coverage Form to apply to the actual loss of Business Income you sustain due to the necessary suspension of your "operations" at the described premises, or at Newly Acquired or Constructed Property, during the "period of restoration."

However, we will reduce the amount of your Business Income loss to the extent you can resume "operations", in whole or in part, by using any other available source of materials.

Business Income means:

(a) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred if no physical loss damage had occurred, but not including any net income that would 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 business operations, including that net income from:

(i) "Rental value";

(ii) Park and recreational facilities;

(iii) Zoos;

(iv) Athletic events; and

(v) Grants, and

(b) Continuing normal operating expenses incurred, including payroll. Ordinary payroll expenses mean payroll expenses for all your employees except your officers, executives, department managers, employees under contract; and additional exemptions shown in the Declaration as job classifications or employees. Ordinary payroll expenses 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.

We will only pay for ordinary payroll expenses for the first sixty (60) days following the date of direct physical loss or damage.

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The most we will pay under this Coverage Extension is $100,000 in any one occurrence.

(3) **Loss of Tax Revenue**

You may extend the insurance provided by this Coverage Form to apply to the actual loss of tax revenue you sustain due to the necessary interruption of tax revenue caused by direct physical loss or damage to real and/or personal property of others at the described premises during the "period of restoration".

Loss of tax revenue means the actual amount of tax revenue that would have been collected by you during the "period of restoration" if the described premises had not suffered direct physical loss or damage. Loss of tax revenue shall be adjusted on the basis of the actual loss sustained by you consisting of tax revenue which is prevented from being earned during the "period of restoration".

In determining the actual loss sustained, due consideration will be given to the tax revenue experience before the date of loss or damage to the described premises, and to the probable experience thereafter had no loss occurred. Under this Coverage Extension, we will not pay more than 80% of the covered tax revenue that would have been earned during the twelve (12) months immediately following the date of loss or damage to the described premises.

If this policy covers two or more types of tax revenue, the provision of this Extension will apply separately to each type of tax revenue.

The most we will pay under this Coverage Extension is $100,000 in any one occurrence.

No Deductible applies.

(4) **Alterations and Newly Acquired or Constructed Property**

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

(a) New buildings or structures, whether complete or under construction;

(b) Alterations or additions to existing buildings or structures; and

(c) Machinery, equipment, supplies or building materials located on or within 1,000 feet of the described premises; and that are:

(i) Used in the construction, alterations or additions; or

(ii) Incidental to the occupancy of new buildings.

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

(5) **Interruption of Computer Operations**

You may extend the insurance that applies under this Coverage Extension, Extra Expense and Business Income, 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.

With respect to this Extension, the Covered Cause of Loss will include a virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation. But there is no coverage for an interruption related to manipulation of a computer system (including electronic data) by any employee, including a temporary or leased employee, or by an entity retained by you or for you to inspect, design, install, maintain, repair or replace that system.

(6) **Civil Authority**

Under this Coverage Extension Extra Expense and Business Income, 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 due to direct physical loss of or damage to property, other than at the described premises, caused by or resulting from any Covered Cause of Loss.

The coverage for Business Income will begin 72 hours after the time of that action and will apply for a period of up to three consecutive weeks after coverage begins.

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The coverage for Extra Expense will begin immediately after the time of that action and will end:

(a) Three consecutive weeks after the time of that action; or

(b) When your Business Income coverage ends;

whichever is later.

(7) **Extra Expense and Business Income for "Dependent Properties"**

You may extend the insurance provided by this Coverage Form to apply to the actual loss of Business Income you sustain and Extra Expense you incur due to the necessary "suspension" of your "operations" because of direct physical loss of or damage to a "dependent property" caused by or resulting from any Covered Cause of Loss.

As used in this Extension, "dependent property" means property operated by others whom you depend upon to deliver materials or services to you, or to others for your account. With respect to services delivered to you, services does not mean, water, communication or power supply services.

With respect to "dependent property", the definition of "period of restoration" applies, except that the described premises means the premises of the "dependent property" as described in this Extension for Extra Expense and Business Income for Dependent Properties.

(8) **Extended Business Income**

(a) Business Income Other Than "Rental Value"

We will pay the actual loss of Business Income Other Than "Rental Value" you sustain at a described premises for a period up to 180 consecutive days after the date you could restore your "operations", with reasonable speed, to the level that would generate the business income amount that would have existed if no direct physical loss or damage had occurred.

If the described premises is a school and the necessary "suspension" of your "operations" produces a business income loss payable under this policy, we will pay the actual loss of Business Income you sustain during the school term following the date the property is actually repaired, rebuilt or replaced, if that date is 90 days or less before the scheduled opening of the next school term.

(b) "Rental Value"

We will pay the actual loss of "Rental Value" you sustain for a period up to 180 consecutive days after the date you could restore tenantability with reasonable speed, to the level that would generate the "Rental Value" amount that would have existed if no direct physical loss or damage had occurred.

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

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

"Suspension" means:

(a) The slowdown or cessation of your "operations"; or

(b) That part or all of the described premises that is rendered untenantable, if coverage for "Rental Value" applies.

"Operations" means:

(a) Your business activities, occurring at the described premises; and

(b) If the described premises is a school, (a) above is replaced with the following:

Your business activities, occurring at the described premises, which generate tuition and related fees from students, including fees from room, board, laboratories and other similar sources; and other income from educational services including bookstores and research grants.

"Operations" does not include:

i. Athletic events; or

ii. Business activities other than those which generate tuition and related fees from students.

(c) The tenantability of the described tenant occupied premises.

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"Rental Value" means the:

(a) Total anticipated rental income from tenant occupancy of the premises described in the Declarations as furnished and equipped by you, and

(b) Amount of all charges which are the legal obligation of the tenant(s) and which would otherwise be your obligations, and

(c) Fair rental value of any portion of the described premises which is occupied by you.

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

(a) Begins immediately after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises; and

(b) Is within twelve (12) consecutive months of the date of direct physical loss or damage; and

(c) Ends on the earlier of:

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

ii. If the described premises is a school, (c)i. above is replaced with the following:

The day before the opening of the next school term following the date when, with reasonable speed and similar quality, the property should be repaired, rebuilt or replaced; or

iii. The date when your "operations" or the school term is resumed at a new permanent location.

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

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

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

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

The Additional Condition, Coinsurance, does not apply to this Coverage Extension for Extra Expense and Business Income.

g. Change in Temperature, Electrical Damage and Off-Premises Utility Services – Direct Damage

We will pay up to $50,000 at each described premises for direct physical loss of or damage to covered property caused by any combination of the following:

(1) A change in temperature or humidity resulting from a mechanical breakdown or malfunction of heating, refrigerating, cooling or humidity control equipment at the described premises;

(2) Electrical damage resulting from artificially generated electric current, other than electrical arcing, that disturbs electrical devices, appliances or wires; or

(3) The interruption of service resulting from direct physical loss or damage to the following property not on the described premises:

(a) Water supply services;
(b) Communication supply services;
(c) Gas, steam or electrical power supply services. Power Supply Services do not include overhead transmission lines.

Insurance provided in this Extension will not increase the Business Personal Property limit shown in the Declarations.

h. Communication Towers

You may extend the insurance provided under this Coverage Form to apply to radio and transmittal towers owned by you. Such radio and transmittal towers must be installed and operational at the time of the loss or damage.

The most we will pay for loss or damage under this Extension is $100,000 in any one occurrence.

i. Contractors' Equipment – Non-Owned

You may extend the insurance provided under this Coverage Form to apply to non-owned contractors' equipment that is within your care, custody and control. However, we will not cover cranes or other lifting equipment under this coverage extension.

If, during the term of this policy, you rent, lease or borrow contractors' equipment or tools from others, we will cover such equipment for a period of 45 days for loss or damage due to a Covered Cause of Loss; however coverage will not

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be provided for loss due to theft of contractors' equipment.

The most we will pay for loss or damage under this Extension is $75,000 for any one piece of equipment or $250,000 in any one occurrence.

j. Emergency Portable Equipment

You may extend the insurance provided under this Coverage Form to apply to your emergency portable equipment.

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

k. Employees' Tools

Coverage is extended to cover your employees' tools. Such tools are covered while at your premises, at a job site, and while in transit to or from job sites in your vehicles.

The most we will pay is:

a. $500 on tools owned by any one employee; or

b. $1,500 on all employees' tools.

l. Fairs or Exhibitions

You may extend the insurance provided by this Coverage Form to apply to your Covered Property at any fair or exhibition.

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

m. Fine Arts

You may extend the insurance provided by this Coverage Form to apply to Fine Arts that are:

(1) Your property; or

(2) The property of others that is in your care, custody or control; and

(3) Located within 1,000 feet of the described premises.

As used in this Coverage Extension, Fine Arts means paintings, etchings, pictures, tapestries, art glass windows, valuable rugs, statuary, marble, bronze, antique silver, manuscripts, porcelain, rare glass, bric-a-brac, and similar property of rarity, historical value or artistic merit.

The Valuation of Fine Arts will be determined as follows:

(1) The agreed value of each Fine Art item that is individually scheduled and described in the Declarations is the Limit of Insurance shown in the Declarations for that item. In the event of total loss we will pay the applicable Limit of Insurance (less deductible) for that item;

(2) The value of all other Fine Arts, including newly acquired Fine Arts, will be the least of the following amounts:

(a) The market value;

(b) The acquisition cost;

(c) If it is the Fine Art of another person, the amount for which you are liable; or

(d) The reasonable cost of restoring that Fine Art to its condition immediately before the loss or damage, plus any remaining diminution in value caused by the loss or damage; or

(e) The cost of replacing the Fine Art item with a substantially identical item.

The value of the Fine Art item will be determined as of the time of loss or damage.

The most we will pay for loss or damage under this Extension is $5,000 any one item, up to $100,000 in any one occurrence. In the event of the total loss of any given item or items that are part of a set, we agree to pay you the total value of the set and you agree to surrender the remaining part of the set to us.

We will not pay for loss or damage to Fine Arts due to improper or inadequate packing for transportation. If there is other insurance covering this same loss or damage provided by this coverage extension, we will pay only the covered amount of loss in excess of the other insurance. If there is any salvage recovery to a Fine Art item we have paid as a total loss, we are entitled to such salvage recovery.

n. Fire Equipment Recharge

You may extend the insurance provided by this Coverage Form to apply to the recharge or refill of your fire protective devices that are permanently installed in buildings at the described premises. This Extension applies when such devices have been discharged by accident, or while being used to combat a covered fire, but not for periodic recharge.

The most we will pay under this Extension is $25,000 for each separate 12 month period of this policy.

No Deductible applies to this Coverage Extension.

o. Footbridges and Appurtenant Structures

You may extend the insurance provided by this Coverage Form to apply to structured footbridges, up to 100

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feet in length, that are used to transport people walking, running or riding small non-motorized equipment such as bicycles, skates and scooters; or to appurtenant structures along pathways such as post-rails, shelters, markers, and similar.

The loss or damage must be caused by or resulting from a Covered Cause of Loss; however, no coverage is provided for loss or damage caused by freezing, thawing, collapse, lack of reasonable and proper preventive maintenance, or for damage caused by vehicles or other motorized conveyance.

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

p. Foundations of Machinery, Swimming Pools and Underground Pipes

You may extend the insurance that applies to Building to apply to foundations of covered buildings, structures, machinery and equipment if their foundations are below:

(1) The lowest basement floor; or

(2) The surface of the ground, if there is no basement.

This Extension also applies to underground pipes, tanks and connections as components of your scheduled swimming pool; or that are within 100 feet of a covered building. However, it does not apply to sprinkler or irrigation systems.

This Extension does not apply to loss or damage caused by tree or plant roots, freezing, thawing, normal deterioration or collapse.

This Extension does not increase the Building limit shown in the Declarations. This does not apply to golf course locations or to loss or damage caused by tree or plant roots, freezing, thawing, normal deterioration or collapse.

q. Golf Course - LIMITED PERILS

You may extend the insurance provided by this Coverage Form to apply to golf course greens you own or operate that would otherwise be in operation and not closed or under repair at the time of the loss or damage. The most we will pay for loss or damage under this Extension is $100,000 in any one occurrence for covered loss due to fire, lightning, explosion, windstorm, smoke, aircraft non-owned vehicles, or riot or civil commotion. However, there is no coverage for loss caused by hail, snow or sleet, whether driven by wind or not. And we will not pay for damage caused by vehicles you own or which are operated within the course and scope of your business.

r. Lock Replacement

You may extend the insurance that applies to Building coverage to apply to replacement of locks necessitated by the theft of keys from your premises.

The most we will pay for loss under this Extension is $25,000.

Each loss for lock replacement covered by this Extension is subject to a $50 deductible.

This Extension does not increase the Building limit shown in the Declarations.

We will not pay more than the least of the following to:

(1) Re-key the locks;

(2) Install new lock cylinders;

(3) Provide new master keys; or

(4) Replace existing locks with new locks of like kind and quality.

Each loss for lock replacement covered by this Extension is subject to a $50 deductible.

s. Newly Acquired or Constructed Property

(1) May extend the insurance that applies to Building to apply to:

a. Your new buildings while being built on the described premises; and

b. Buildings you acquire at locations, other than the described premises, intended for:

(i) Similar use as the building described in the Declarations; or

(ii) Use as a warehouse.

The most we will pay for loss or damage under this Extension is $1,000,000 at each building.

(2) You may extend the insurance that applies to Your Business Personal Property to apply to that property at any location you acquire other than at fairs or exhibitions.

The most we will pay for loss or damage under this Extension is $500,000 at each building.

(3) Insurance under this Extension does not apply to personal property of others that is temporarily in

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your possession in the course of installing or performing work on such property.

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

(a) This policy expires;

(b) 180 days expire after you acquire or begin to construct the property; or

(c) You report values to us.

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

This Coverage Extension for Newly Acquired or Constructed Property does not apply to vacant, unoccupied or tax takeover properties.

t. Non-Owned Detached Trailers

(1) You may extend the insurance that applies to Your Business Personal Property to apply to loss or damage to trailers that you do not own, provided that:

(a) The trailer is used in your operations;

(b) The trailer is in your care, custody or control at the premises described in the Declarations; and

(c) You have a contractual responsibility to pay for loss or damage to the trailer.

(2) We will not pay for any loss or damage that occurs:

(a) While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion;

(b) During hitching or unhitching operations, or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.

(3) The most we will pay for loss or damage under this Extension is $5,000, unless a higher limit is shown in the Declarations.

(4) This insurance is excess over the amount due (whether you can collect on it or not) from any other insurance covering such property.

u. Outdoor Property

You may extend the insurance that applies to Building coverage to apply to your outdoor fences, radio and television antennas (including satellite dishes), guardrails, signs (other than signs attached to buildings), backstops, goal posts, playground equipment, scoreboards, bleachers, grandstands, ticket booths, ball field dugouts, press boxes, refreshment stands, picnic pavilions, street lights, traffic control lights, flag poles, non-utility poles, fire hydrants, parking meters, sirens, trees, shrubs and plants, including debris removal expense, caused by or resulting from artificially generated electrical current or any of the Covered Causes of Loss except Wind or Hail or Damage Caused by Vehicles.

The most we will pay for loss or damage under this Extension is $25,000. However, we will not pay more than $1,000 for any one tree, shrub or plant.

The insurance provided in this Extension does not increase the Building limit shown in the Declarations.

v. Paved Surfaces

You may extend the insurance provided by this Coverage Form to apply to the paved surfaces of your outdoor playgrounds, tennis courts, running tracks or other outdoor athletic courts.

The loss or damage must be caused by or resulting from a Covered Cause of Loss; however, no coverage is provided for loss or damage caused by freezing and thawing or by vehicles.

The most we will pay for loss or damage under this Extension is $100,000 in any one occurrence

w. Personal Computers, Communication Equipment, EDP Equipment, Electronic Data or Media

You may extend the insurance that applies to Your Business Personal Property to apply to your personal computers, communications equipment, electronic data processing equipment, electronic data or media. This Extension includes the property of others that you hold in any capacity, or for which you are responsible.

(1) Coverage under this Extension extends to the following: personal computers, communications equipment, electronic data processing and word processing equipment, including their component parts, all if installed within 1,000 feet of the described premises;

(a) Personal computers means computers, printers, scanners, modems and related peripheral equipment;

(b) Communications equipment means:

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(i) Voice communication systems including telephones and telephone switchgear, operating programs and related software, voice terminals, telephone circuit packs and other such equipment and component parts whose function is the transmission of voice communication; or

(ii) Facsimile machines, Photostat machines, photocopy machines, including all-in-one printer-fax-scanner-copy machines; or

(iii) Radio and television equipment, including their antennas, satellite dishes, masts, towers and lead-in wiring; or

(iv) Video cassette recorders and DVD players; or

(v) Emergency sirens, horns and traffic control override devices that are permanently installed. Coverage for these items applies at or away from the described premises anywhere in the Coverage Territory.

(c) Electronic data means information, facts or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of electronic data, means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve or send data. This paragraph does not apply to your "stock" of prepackaged software; and

(d) Media for use with (a) above on which the data is stored.

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

(2) We will not cover the following kinds of equipment, data or media:

b. Any data or media for which duplicates or replacements do not exist; or

c. Property rented or leased to others while away from the described premises.

(3) Payment for loss under this Extension will be determined as follows:

(a) Personal Computers, Communication Equipment and EDP Equipment. We will pay the least of the following amounts:

(i) The cost of reasonably restoring that property to its condition immediately before the loss or damage; or

(ii) The cost of replacing that property with identical property.

However, when repair or replacement with identical property is not possible, we will pay the cost to replace that property with similar property capable of performing the same functions and purpose, at an amount that is necessary to repair or replace the lost or damaged property, plus 25% for upgraded replacement cost valuation.

If not repaired or replaced, the property will be valued at its actual cash value.

(b) Electronic Data. We will pay up to the actual cost incurred of reproducing the data.

(c) Media. We will pay to repair or replace the media with material of the same kind and quality.

To the extent that electronic data or media 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.

(4) The following exclusions contained in Section II — Exclusions do not apply to this Extension:

(a) Exclusion (Utility Services);

(b) Exclusion (Artificially generated electric current);

(c) Exclusion (Mechanical breakdown); and

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(d) Exclusion (Dampness or dryness of atmosphere, changes in or extremes of temperature, and marring or scratching).

(5) The most we will pay under this Extension is $250,000 in any one occurrence; however,

(a) If the lost or damaged equipment, electronic data or media:

(i) Is lost or damaged while in transit or on a vehicle, or

(ii) Is a laptop computer, including its portable accessories, owned by you that is used by your employees, elected or appointed officials, or volunteers at a location away from the described premises, the most we will pay is $10,000 in any one occurrence.

Our payment of loss or damage to property of others will only be for the account of the owner of the property.

x. Personal Effects

You may extend the insurance that applies to Your Business Personal Property to apply to Personal Effects owned by your employees, your elected or appointed officials, or your volunteers.

This Extension applies to Personal Effects located in or on the building described in the Declarations, or in the open (or in a vehicle) within 1,000 feet of the described premises. This Extension does not apply to loss or damage by theft. The most we will pay for loss or damage to Personal Effects under this Extension is $25,000 for personal property for any one person at each covered location, subject to an occurrence limit of $50,000.

. This coverage does not apply to any personal effects or property of others which are covered elsewhere in this policy or by any other insurance. Our payment for loss or damage under this Coverage Extension for Personal Effects will only be for the account of the owner of the property.

y. Personal Property Off Premises or in Transit

You may extend the insurance that applies to Business Personal Property to apply to covered Business Personal Property, other than "money" and records or accounts receivable, while it is in the course of transit or temporarily at premises you do not own, lease or operate.

The most we will pay for loss or damage under this Extension is $100,000.The insurance provided in this Extension does not increase the Business Personal Property limit shown in the Declarations.

z. Recertification Expense

We will pay your necessary expense to recertify scheduled or newly acquired pumper apparatus if it results from a Covered Cause of Loss to Covered Property.

The most we will pay for recertification expense arising out of any one "loss" is $5,000.
The limit for this coverage extension is separate from any Limit of Insurance stated elsewhere in the policy.

aa. Rental Expense

Coverage is extended to Contractor's Equipment for expenses incurred for the rental of substitute equipment when:

(1) Such rental is made necessary by "loss" to Covered Property as a result of a Covered Cause of Loss; and

(2) You use the substitute equipment to continue, as nearly as practicable, the normal operations on work in progress.

This coverage does not apply when you have suitable (owned or under "long term" lease) substitute equipment available.

This coverage begins 72 hours from the time and date the "loss" has been reported to us.

Reimbursement is limited to such expense incurred during the period of time that:

(a) Begins 3 "working days" after the direct "loss" has been reported to us; and

(b) Ends when Covered Property could be replaced or restored to service, with reasonable speed, when the claim is paid, or the need no longer exists, whichever first occurs. The expiration date of the policy will not cut short the period of time stated above.

The most we will pay is the actual daily rental expense subject to a total of $10,000.

"Working day" means a period of twenty-four (24) consecutive hours of a normally scheduled work day beginning at midnight following the loss.

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bb. Retaining Walls

You may extend the insurance provided by this Coverage Form to cover direct physical loss or damage to retaining walls not attached to your building.

We will pay up to $10,000 in any one occurrence to apply at each described premises.

This Coverage Extension does not apply to physical loss or damage caused by tree or plant roots, freezing, thawing, normal deterioration, collapse, or as a result of damage by vehicles or other motorized conveyances.

cc. Sign Coverage

You may extend the insurance that applies to this Coverage Form to apply to your signs at or within 1,000' of the described premises, inside or outside, whether or not attached to buildings or structures.

We will pay up to $25,000 under this Coverage Extension. This is not in addition to Outdoor Property Coverage Extension.

dd. Spoilage

You may extend the insurance provided by this Coverage Form to insure against direct physical loss or damage to "perishable stock" caused by or resulting from the Causes of Loss Breakdown or Contamination or Power Outage.

We will pay up to $25,000 under this Coverage Extension.

As respects coverage for Spoilage under this Coverage Extension, Covered Property means "perishable stock" owned by you or by others that is in your care, custody or control while located at:

(1) A described premises in the Declarations; or
(2) The premises of a cold storage warehouse; or
(3) The premises of a consignee.

"Perishable stock" means personal property that is:
(1) Maintained under controlled conditions for preservation; and
(2) Susceptible to loss or damage if the controlled conditions change.

Breakdown or Contamination means:

(1) A change in temperature or humidity resulting from mechanical breakdown or failure of refrigeration, cooling or humidity control apparatus or equipment, but only while such equipment or apparatus is at the described premises; and

(2) Contamination by the refrigerant.

Power Outage means a change in temperature or humidity resulting from complete or partial interruption of electrical power, on or off premises, due to a Covered Cause of Loss.

The following Exclusions apply to this Coverage Extension – Spoilage:

(1) Disconnection of any refrigeration, cooling or humidity control system from its power source;

(2) Deactivation of electrical power caused by the manipulation of any switch or other device used to control the flow of electrical power or current;

(3) The inability to provide sufficient power due to an electric utility company or other power source experiencing a lack of fuel or by governmental order;

(4) The inability of a power source at the described premises to provide sufficient power due to lack of generating capacity to meet demand;

(5) Breaking of any glass that is a permanent part of any refrigeration, cooling or humidity control unit;

(6) Earth Movement;

(7) Government Action;

(8) Nuclear, Biological, Chemical Hazard;

(9) War and Military Action, whether declared or undeclared;

(10) Water.

ee. Surface Water

We will pay up to $25,000 for loss or damage to covered Property caused by:

(1) The rapid and unusual accumulation of water on the surface of the ground; or

(2) Mudslide or mudflow resulting from the rapid and unusual accumulation of water on the surface of the ground.

This Coverage Extension does not apply to any locations situated in a special flood coverage area as determined by the Federal Emergency Management Agency (FEMA) as Zone A or any of its subparts, Zone V or any of its subparts, or shaded Zone X.

ff. Theft Damage to Non-Owned Buildings

You may extend the insurance provided by this Coverage Form to apply to the ensuing costs you incur to

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repair damages to that part of a building that you occupy but do not own, if;

(1) The damages resulted directly from theft; and

(2) You assume responsibility for such damages under a lease agreement that was executed prior to the theft.

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

gg. Underground Sprinkler Systems

You may extend the insurance that applies to Building coverage to apply to underground sprinkler system piping and related component parts.

This Extension does not: 1) increase the Building limit shown in the Declarations, or 2) apply to loss or damage caused by tree or plant roots, freezing, thawing or normal deterioration or collapse.

hh. Underground Water Seepage

You may extend the insurance that applies to Building and Business Personal Property coverage to apply to damage caused by or resulting from water under the ground surface pressing on, or flowing or seeping through:

(1) Foundations, walls, floors or paved surfaces;

(2) Basements, whether paved or not; or

(3) Doors, windows or other openings.

The most we will pay under this Extension is $10,000 per premises.

This coverage does not apply to Coverage Extension 6.b., Personal Property off Premises.

This Extension does not increase the Building and Business Personal Property limits shown in the Declarations.

ii. Unnamed Locations

You may extend the insurance provided under this Coverage Form to apply to your Covered Property, **a.** Building, to apply at a location not on file with the Company.

The most we will pay under this Extension is $250,000 in any one occurrence. This extension does not apply to vacant, unoccupied or tax take-over properties.

jj. Utility Services – Time Element

You may extend your coverage for Business Income and/or Extra Expense to apply to a "suspension" of "operations" at the described premises caused by an interruption in utility service to that premises. The interruption in utility service must result from direct physical loss or damage by a Covered Cause of Loss to the utility service located outside of a covered building at a described premises in the Declarations.

This Coverage Extension – Utility Services – Time Element does not apply to Business Income and/or Extra Expense related to interruption in utility service which causes loss or damage to Electronic Data, including its destruction or corruption. The term Electronic Data has the meaning set forth under the Additional Coverage, Personal Computers, EDP Equipment, Electronic Data or Media provided under this Coverage Form.

Utility Services mean the following types of property:

(1) Water Supply Services, including pumping stations and water mains;

(2) Communication Supply Services, including telephone, radio, microwave or television services supplying communication to the described premises, including but not limited to:

(a) Communication transmission lines, including fiber optic transmission lines;

(b) Coaxial cables; and

(c) Microwave radio relays, except satellites.

Communication Supply Services do not include overhead transmission lines.

(3) Power Supply Services, including services that supply electricity, steam or gas to the described premises, including:

(a) Utility generating plants;

(b) Switching stations;

(c) Substations;

(d) Transformers; and

(e) Transmission lines.

Power Supply Services do not include overhead transmission lines.

The most we will pay under this Coverage Extension – Utility Services – Time Element is $50,000. This limit is part of, and not in addition to, the limit provided for Business Income and/or Extra Expense applicable to the described premises.

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We will only pay for loss you sustain after the first 24 hours following the direct physical loss or damage to the utility service property to which the Coverage Extension applies.

kk. Valuable Papers and Records — Cost of Research (Other than Electronic Data)

You may extend the insurance that applies to Your Business Personal Property to apply to your costs to research, replace or restore the lost information on lost or damaged valuable papers and records, for which duplicates do not exist. This Extension applies to your valuable papers and records located in the building described in the Declarations or within 1,000 feet of the described premises. The most we will pay under this Extension is $250,000 in any one occurrence at the described premises. For Valuable Papers and Records that are not at the described premises, the most we will pay under this Extension is $50,000. Our payment under this Extension includes the cost of blank material for reproducing the records (whether or not duplicates exist), and (when there is a duplicate) for the cost of labor to transcribe or copy the records. The costs of blank material and labor are subject to the applicable Limit of Insurance on Your Business Personal Property and therefore coverage of such costs is not additional insurance.

SECTION I—COVERAGE

B. OPTIONAL COVERAGES

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

1. Agreed Value

The Additional Condition, Coinsurance, does not apply to Covered Property to which this Optional Coverage applies. We will pay no more for loss of or damage to that property than the proportion that the Limit of Insurance under this Coverage Form for the property bears to the Agreed Value shown for it in the Declarations.

2. Inflation Guard

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

b. The amount of increase will be:

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

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

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

Example:

If:

The applicable Limit of Insurance is	$100,000
The annual percentage increase is	8%
The number of days since the beginning of the policy year (or last policy change) is	146
The amount of increase is $100,000 x .08 x 146 ÷ 365 =	$3,200

3. Extension -- Replacement Cost To Personal Property Of Others

a. If the Replacement Cost Optional Coverage is shown as applicable in the Declarations, then this Extension may also be shown as applicable. If the Declarations show this Extension as applicable, then Paragraph 3.b.(1) of the Replacement Cost Optional Coverage is deleted and all other provisions of the Replacement Cost Optional Coverage apply to replacement cost on personal property of others.

b. With respect to replacement cost on the personal property of others, the following limitation applies:

If an item(s) of personal property of others is subject to a written contract which governs your liability for loss or damage to that item(s), then valuation of that item(s) will be based on the amount for which you are liable under such contract, but not to exceed the lesser of the replacement cost of the property or the applicable Limit of Insurance.

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SECTION II—EXCLUSIONS

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

   a. Ordinance or Law, except as provided in the Coverage Extensions.

   The enforcement of any ordinance or law:

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

   (2) Requiring the tearing down of any property, including the cost of removing its debris.

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

   (1) An ordinance or law that is enforced even if the property has not been damaged; or

   (2) 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) Any earth movement (other than sinkhole collapse), such as an earthquake, landslide, mine subsidence or earth sinking, rising or shifting. But if earth movement results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

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

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

   (a) Airborne volcanic blast or airborne shock waves;

   (b) Ash, dust, or particulate matter; or

   (c) Lava flow.

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

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

   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, except as provided in the Coverage Extensions.

   The failure of power or other utility service supplied to the described premises, however caused, if the failure occurs away from the described premises.

   But if failure of power 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.

   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.

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g. Water, except as provided in the Coverage Extensions and/or Additional Coverages.

(1) Flood, surface water, waves, tides, tidal waves, overflow of any body of water, or their spray, all whether driven by wind or not;

(2) Mud slide or mud flow; or

(3) 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.

But if Water, as described in SECTION II, 1.g.(1), SECTION II, 1.g.(2) and SECTION II, 1.g.(3), results in fire, explosion or sprinkler leakage, we will pay for the loss or damage caused by that fire, explosion or sprinkler leakage.

h. Seepage or Leakage of water or steam

Continuous or repeated seepage or leakage of water or steam from within a plumbing, heating or air conditioning system or from within a domestic appliance which occurs over a period of weeks, months or years.

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

a. Artificially Generated Electrical Current, except as provided in the Coverage Extensions.

Artificially generated electrical current, includes electric arcing, that disturbs electrical devices, appliances or wires.

But if artificially generated electrical current results in fire, we will pay for the loss or damage caused by fire.

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 by you, anyone else with an interest in the property, or any of your or their partners, employees, directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:

(1) Acting alone or in collusion with others;

(2) Whether or not occurring during the hours of employment.

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

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

g. Mysterious disappearance of property or an inventory shortage.

h. 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.

i. Exposed Property

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

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j. Collapse

Collapse, except as provided in the Additional Coverage for Collapse. But if collapse results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

k. 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," we will pay for the loss or damage caused by that "specified cause of loss."

l. Other Types of Loss

(1) Wear and tear;

(2) Rust, corrosion, fungus, 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; or

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

(a) Dampness or dryness of atmosphere;

(b) Changes in or extremes of temperature except as provided in the coverage extensions; or

(c) Marring or scratching.

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

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

a. Weather Conditions

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

b. Acts or Decisions

Acts of 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, sitting;

(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. **Business Income and Extra Expense Exclusions**.

We will not pay for:

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

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

(2) Suspension, lapse or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the suspension of "operations," we will cover such loss that affects your Business Income during the "period of restoration."

b. Any other consequential loss.

5. **Accounts Receivable and "Valuable Papers and Records"** Exclusions

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In addition to the exclusions shown in paragraphs SECTION II, 1. through SECTION II, 3., the following exclusions apply to the Accounts Receivable and “Valuable Papers and Records” Coverage Extensions:

a. We will not pay for loss or damage caused by or resulting from electrical or magnetic injury, disturbance or erasure of electronic recordings that is caused by or results from:

   (1) Programming errors or faulty machine instructions;

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

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

b. Applicable to “Valuable Papers and Records” only:

   We will not pay for loss or damage caused by or resulting from errors or omissions in processing or copying. But we will pay for direct loss or damage caused by resulting fire or explosion.

c. Applicable to Accounts Receivable only:

   We will not pay for:

   (1) 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;

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

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

6. "**Fungus", Wet Rot, Dry Rot And Bacteria, except as provided in Additional Coverage section.**

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

   But if "fungus", wet or dry rot or bacteria 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 "fungus", wet or dry rot or bacteria results from fire or lightning; or

   (2) To the extent that coverage is provided in the Additional Coverage – Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria with respect to loss or damage by a cause of loss other than fire or lightning.

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

SECTION III—LIMITS OF INSURANCE

1. The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

2. The limits applicable to the Additional Coverages are in addition to the Limits of Insurance.

SECTION IV—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, after any deduction for coinsurance if applicable.

2. If a percentage (%) deductible is shown in item 5. of the Declarations, we will deduct an amount equal to 1%, 2% or 5% of the value(s) of the property that has sustained loss or damage. The value(s) to be used are those shown in the most recent Statement of Values on file with us.

3. No deductible applies to the following:

   a. Fire Department Service Charge

   b. Business Income and Extra Expense

SECTION V—PROPERTY LOSS CONDITIONS

1. **Abandonment**

   There can be no abandonment of any property to us.

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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 Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.

(5) At our request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.

(6) As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

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

(7) Send us a signed, sworn proof of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

(8) Cooperate with us in the investigation or settlement of the claim.

(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. **Limitation—Electronic Media and Records**

We will not pay for any loss of Business Income caused by direct physical loss or damage to Electronic Media and Records after the longer of:

a. Sixty (60) consecutive days from the date of direct physical loss or damage; or

b. The period, beginning with the date of direct physical loss or damage, necessary to repair, rebuild or replace with reasonable speed and similar quality, other property at the described premises due to loss or damage caused by the same occurrence.

Electronic Media and Records are:

(1) Electronic data processing, recording or storage media such as films, tapes, discs, drums or cells;

(2) Data stored on such media; or

(3) Programming records used for electronic data processing or electronically controlled equipment.

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;

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(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 d.(1)(f) below.

b. Payment must be made within 30 days after satisfactory receipt of proof of loss or interest will be owed.

c. We will not pay you more than your financial interest in the Covered Property.

d. Except as provided in (2) through (8) below, we will determine the value of Covered Property as follows:

(1) At replacement cost without deduction for depreciation, subject to the following:

(a) The Limit of Insurance under this policy that applies to the lost or damaged property;

(b) 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

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

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

(e) 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.

If you elect to make a claim for loss or damage on an actual cash value basis, we will determine the cost to repair or replace the damaged property, apply the deductible and deduct for depreciation.

(f) We will not pay on a replacement cost basis for any loss or damage:

(i) Until the lost or damaged property is actually repaired or replaced; and

(ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.

(g) The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.

(2) The following property at actual cash value:

Property of others, but this property is not covered for more than the amount for which you are liable, plus the cost of labor, materials or services furnished or arranged by you on personal property of others.

(3) The following property at its market value at the time of loss:

Works of fine art, antiques or rare articles, including paintings etchings, pictures, statuary, marbles, bronzes, porcelains, tapestries, art glass windows, valuable rugs, antique silver, manuscripts, rare glass, bric-a-brac and similar property of rarity, historical value or artistic merit.

(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

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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) "Valuable papers and records," including those which exist on electronic or magnetic media (other than prepackaged software programs), at the cost of:

(a) Blank materials for reproducing the records; and

(b) Labor to transcribe or copy the records.

This condition does not apply to "valuable papers and records" that are actually replaced or restored.

(7) Applicable to Employee Dishonesty and Money and Securities:

(a) "Money" at its face value; and

(b) "Securities" at their value at the close of business on the day the loss is discovered.

(8) 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 re-establish or collect;

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

(iv) All unearned interest and service charges.

(v) If you recover the amount of any accounts receivable that were included in the amount of the paid loss, you will return the recovered amount to us, up to the total amount of the paid loss. You will keep the amount of any accounts receivable you recover in excess of the amount of the paid loss.

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 thirty (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.

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

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repair the recovered property, subject to the Limit of Insurance.

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

(a) When this policy is issued to a tenant, and with respect to that tenant's interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.

(b) When this policy is issued to the owner of a building, building means the entire building. Such building is vacant when 70% or more of its total square footage:

(i) Is not rented; or

(ii) Is not used 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 120 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) Glass breakage;

(d) Water damage;

(e) Theft, or

(f) Attempted theft.

9. **Coinsurance**

If a Coinsurance percentage is shown in the Declarations, the following condition applies:

(1) We will not pay the full amount of any loss if the value of the Covered Property at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

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

(a) Multiply the value of the Covered Property at the time of loss by the Coinsurance percentage;

(b) Divide the Limit of Insurance of the property by the figure determined in step **(a)**;

(c) Multiply the total amount of loss, before the application of any deductible, by the figure determined in step **(b)**; and

(d) Subtract the deductible from the figure determined in step **(c)**.

We will pay the amount determined in step **(d)** or the limit of insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

Example No. 1 (Underinsurance)

When

The value of the property is:	$250,000
The Coinsurance percentage for it is:	80%
The Limit of Insurance for it is:	$100,000
The deductible is:	$250
The amount of loss is:	$40,000

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Step (1): $250,000 x 80% = $200,000 (the minimum amount of insurance to meet your Coinsurance Requirements)

Step (2): $100,000 ÷ $200,000 = .50

Step (3): $40,000 x .50 = $20,000

Step (4): $20,000 - $250 = $19,750

We will pay no more than $19,750. The remaining $20,250 is not covered.

Example No. 2 (Adequate Insurance)

When

The value of the property is:	$250,000
The Coinsurance percentage for it is:	80%
The Limit of Insurance for it is:	$200,000
The deductible is:	$250
The amount of loss is:	$40,000

The minimum amount of insurance to meet your Coinsurance requirement is $200,000 ($250,000 x 80%). Therefore, the Limit of Insurance in this Example is adequate and no penalty applies. We will pay no more than $39,750 ($40,000 amount of loss minus the deductible of $250).

If one Limit of Insurance applies to two or more separate items, this condition will apply to the total of all property to which the limit applies.

Example No. 3

When

The value of the property is:

Bldg. at Location No. 1	$75,000
Bldg. at Location No. 2	$100,000
Personal Property at Location No. 2	$75,000
	$250,000

The Coinsurance percentage for it is:	90%
The Limit of Insurance for Buildings and Personal Property at Location Nos. 1 and 2 is:	$180,000
The Deductible is:	$1,000

The amount of loss is:

Bldg. at Location No. 2	$30,000
Personal Property at Location No. 2	$20,000
	$50,000

Step (1): $250,000 x 90% = $225,000 (the minimum amount of insurance to meet your Coinsurance requirements and to avoid the penalty shown below)

Step (2): $180,000 ÷ $225,000 = .80
Step (3): $50,000 x .80 = $40,000.
Step (4): $40,000 - $1,000 = $39,000.

We will pay no more than $39,000. The remaining $11,000 is not covered.

10. **Other Insurance**

You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay 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.

SECTION VI—GENERAL PROPERTY 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 Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

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 Schedule of Mortgagees 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.

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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 sixty (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) Ten (10) days before the effective date of cancellation if we cancel for your non-payment of premium; or

(2) Sixty (60) days before the effective date of cancellation if we cancel for any other reason.

g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least ten (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 this part:

a. We cover loss or damage commencing:

(1) During the policy period which begins with inception date shown in the Declarations and ends with the earlier of:

(i) The date of cancellation of this policy; or

(ii) The expiration date 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.

5. **Concealment, Misrepresentation or Fraud**

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

a. This Coverage Part;

b. The Covered Property;

c. Your interest in the Covered Property; or

d. A claim under this Coverage Part.

SECTION VII—PROPERTY DEFINITIONS

1. "Commandeered Property" means personal property of others, except automobiles, that is annexed or requisitioned by civil authority with or without the prior consent of the owner, but only when such personal property is being used in a police, fire or rescue emergency to protect persons or property from injury or damage while in your care, custody or control.

2. "Employees" are people who work for you in the conduct of your ordinary activities, in return for a salary, wages or commissions. In order to be considered an "employee" a person must be subject to your exclusive

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direction in the performance of their activities. Contractors and agents are not considered to be "employees".

3. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

4. "Golf course" means the entire area designed and maintained for the game of golf including teeing grounds, fairways, putting greens, roughs, playing areas up to out of bounds, sand traps, hazard areas, driving ranges and other surfaces used to play golf. "Golf course" includes trees, plants or shrubs located on these areas.

5. "Money" – means:

   a. Accounts, bills, currency, coins, deeds and bank notes in current use and having a face value;

   b. Travelers checks, register checks and money orders held for sale to the public;

   c. Debit cards and electronic benefits; and

   d. Lottery tickets held for sale.

6. "Operations" means your business activities occurring at the described premises.

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

   a. Begins:

      (1) 72 hours after the time of direct physical loss or damage for Business Income coverage; or

      (2) Immediately after the time of direct physical loss or damage for Extra Expense coverage;

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

   b. Ends on the earlier of:

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

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

   "Period of restoration" does not include any increased period required due to the enforcement of 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."

8. "Perishable property" means personal property that is in your care, custody or control, that is:

   e. Maintained under controlled conditions for its preservation; and

   Susceptible to loss or damage if the controlled conditions change.

9. "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.

10. "Securities" means negotiable and non-negotiable instruments or contracts representing either "money" or other property and includes:

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

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

11. "Specified Causes of Loss" means the following:

    Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion, including acts of striking employees while occupying the described premises; and looting occurring at the time and place or a riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet, or 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

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(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 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.

12. "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:

d. "Money" or "Securities";

e. Converted Data;

f. Programs or instructions used in your data processing operations, including the materials on which the data is recorded.

13. "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.

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LIABILITY COVERAGE PART

The policy consists of one or more of **the following coverage forms as designated in the Declarations: General Liability Coverage Form (Occurrence Coverage), Law Enforcement Liability Coverage (Occurrence Coverage), Public Officials Liability Coverage Form (Claims-Made Coverage) and Employment Practices Liability Coverage Form (Claims-Made Coverage).**

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

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

COMMON LIABILITY EXCLUSIONS

The following exclusions apply to the liability coverages designated in the Declarations. Refer to the individual coverage forms for additional exclusions.

This policy does not apply to:

1. **Pollution** - the following Pollution Exclusion applies only to the Law Enforcement, Public Officials and Employment Practices coverage part. Refer to the General Liability coverage part for the specific Pollution Exclusion applicable only to that coverage.

   a. "Bodily injury," "property damage" or "personal injury" arising out of, or "wrongful act(s)" which result in the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

   Paragraph 1.a. does not apply to "bodily injury," "property damage" or "personal injury" arising out of, or "wrongful act(s)" which result in heat, smoke or fumes from a hostile fire:

   (1)At or from any Named Insured's premises;

   (2)At or from any site or location on which any Named Insured or any contractors or subcontractors working directly or indirectly on any Named Insured's behalf are performing operations.

   As used in this exclusion, a hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.

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

   (1) 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

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

   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.

2. **War**

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

   a. War, including undeclared or civil war;

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

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

3. **Asbestos**

   Injury or damage arising out of:

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a. Inhaling, ingesting or prolonged physical exposure to asbestos or goods or products containing asbestos; or

b. The use of asbestos in construction or manufacturing any goods, product or structure; or

c. The removal of asbestos from any good, product or structure; or

d. The manufacture, sale, 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 of "claim" or "suit" related to any of the above.

This exclusion does not apply in the following states: New Jersey, New York, Pennsylvania, Oklahoma and Vermont.

4. **Nuclear Energy Liability**

a. Any injury or damage:

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

(2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which:

(a) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or

(b) The insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by or with any person or organization.

b. Expenses incurred under Medical Payments Coverage, 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. Any injury or damage resulting from the "hazardous properties" of "nuclear material," if:

(1) The "nuclear material":

(a) Is at any "nuclear facility" owned by, or operated by or on behalf of, an insured; or

(b) Has been discharged or dispersed there from;

(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 injury or damage arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operations 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 (c) applies only to "property damage" to such "nuclear facility" and any property threat.

As used in this exclusion:

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

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

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

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

"Waste" means any waste material:

(a) Containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content; and

(b) Resulting from the operation by any person or organization of any "nuclear facility" included under paragraphs (a) and (b) of the definition of "nuclear facility."

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"Nuclear facility" means:

(a) Any "nuclear reactor";

(b) Any equipment or device designed or used for:

(1) Separating the isotopes of uranium or plutonium;

(2) Processing or utilizing "spent fuel"; or

(3) Handling, processing or packaging "waste";

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

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

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

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

Injury or damage includes all forms of radioactive contamination of property.

5. **Eminent Domain**

Any "claim", "loss", injury or damages arising out of or resulting from a taking, partial taking or controlling of property by any means, method or proceeding that involves or is any way related to the principles of eminent domain, inverse condemnation, adverse possession, right of prescription, dedication by adverse use, lack of due process, or by whatever name used, or however characterized; or the resulting diminution of property value.

This exclusion applies whether or not any "claim" is made directly against any insured or by virtue of any agreement entered into by or on behalf of any insured.

6. **Workers Compensation and Similar Laws**

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

7. **Dumps, Landfills and Hazardous Waste Premises**

a. "Bodily injury", "property damage" or "personal and advertising injury" resulting from or arising out of any premises, location or site that is or has ever been a dump (operating or non-operating), a sanitary landfill, chemical landfill, hazardous waste site, or any premises or site that is or has been designated as a Superfund site, including:

(1)Operations on those premises or elsewhere which are necessary or incidental to the ownership, maintenance or use of such premises, or

(2)Goods or products manufactured at, distributed from such premises.

b. "Bodily injury," "property damage" or "personal and advertising injury" resulting from or arising out of:

i. Operations on those premises in a. above or elsewhere, which are necessary or incidental to the ownership, maintenance or use of such premises, including but not limited to, the storage, disposal, processing or treatment of waste materials; or

ii. Goods or products manufactured at, or distributed from such premises; or

iii. Any property that is or has been sealed off, closed, abandoned or alienated; or other action has been taken in compliance with any statute, ordinance or governmental regulation or directive requiring maintenance or monitoring during or after such sealing off, abandonment or closure.

However, this exclusion does not apply to:

(a) Your liability for "bodily injury" occurring on the premises or sites described in a.(1); or

(b) Your liability for "property damage" to non-owned autos on those premises or sites in a. (1).

8. Arising out of the deliberate violation of any federal, state, or local statute, ordinance, rule or regulation committed by or with the knowledge and consent of the insured;

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9. Brought about or contributed to by fraud or dishonesty of an insured, however, notwithstanding the foregoing, the insured will be protected under the terms of this Coverage Form, as to any "claim(s)" upon which "suit" may be brought against them by reason of any alleged fraud or dishonesty on the part of any insured, unless a judgment or other final adjudication thereof adverse to such insured will establish that acts of active or deliberate dishonesty or fraud committed by such insured was material to the cause of action so adjudicated;

10. For any "loss," cost, civil fine, penalty or expense against any insured arising from any complaint or enforcement action from any federal, state or local governmental regulatory agency;

11. For "claim(s)" arising from:

    a. Any activity for which the insured is acting in a fiduciary capacity; or

    b. Any debt financing, including but not limited to bonds, notes, debentures and guarantees of debt; or

    c. The formulation of tax rates, the collection of taxes, or the formulation of tax refunds;

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COMMON LIABILITY DEFINITIONS

Throughout this policy words and phrases that appear in quotation marks are defined terms. The following definitions apply to the Liability coverages designated in the Declarations. Please refer to the individual coverage forms for additional definitions.

1. "Auto" means:
   a. A land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment; or
   b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.

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

2. "Bodily Injury" means:

   Bodily injury, mental anguish, emotional distress, sickness or disease sustained by any person, including death, resulting from any of these at any time.

3. "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 to or from any place included in a. above; or
   c. All 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 a. above; or
      (2) The activities of a person whose home is in the territory described in a. above, but is away for a short time on your operations; and
      (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 a. above or in a settlement we agree to.

4. "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".

5. "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. However, any land motor vehicle, trailer or semi-trailer designed for travel on public roads (including any machinery or apparatus that is attached) owned or leased by you shall be deemed an "auto" and not "mobile equipment" if the only reason for considering it "mobile equipment" is that it is maintained for use exclusively on streets or highways owned by you;
   c. Vehicles that travel on crawler treads;
   d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
      (1) Power cranes, shovels, loaders, diggers or drills; or
      (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
   e. Vehicles not described in 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

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(2) Cherry pickers, mechanical lifts, and similar devices used to raise or lower workers.

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

g. 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, mechanical lifts, and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

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

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

Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

5. "Policy period" means the period beginning with the inception date shown in the Declarations and ending with the earlier of:

a. The date of cancellation of this policy; or

b. The expiration date shown in the Declarations.

6. "Wrongful act(s)" means "law enforcement wrongful act(s)," "public officials wrongful act(s)" or "employment practices wrongful act(s)".

7. Law enforcement activities" means:

a. Those activities conducted by your Law Enforcement Department or Agency shown in the Declarations; and

b. Departmentally approved activities which are declared in the application for this insurance.

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GENERAL LIABILITY COVERAGE FORM

OCCURRENCE COVERAGE

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

Throughout this policy, the words “you”, and “your” and “Named Insured” refer to the entity identified as the “Named Insured” in the Declarations. The words “Insured” or “Insureds” refer to any person or organization qualifying as an “Insured” under SECTION III - WHO IS AN INSURED. The words “we”, “us”, “our” and “Company” refer to the Company stated in the Declarations as providing this insurance.

Other words and phrases that appear in quotation marks have special meanings. Refer to SECTION VI - DEFINITIONS and other provisions of this policy for such meanings.

SECTION I—COVERAGES

“BODILY INJURY”, “PROPERTY DAMAGE” AND “PERSONAL AND ADVERTISING INJURY” LIABILITY

1. **Insuring Agreement**

   a. We will pay those sums that the insured becomes legally obligated to pay as damages because of “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 even if the allegations of the “suit” are groundless, false or fraudulent. 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” and settle any “claim” or “suit” that may result. But:

      (1) The amount we will pay for damages is limited as described in SECTION IV — LIMITS OF INSURANCE; and

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

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

   b. This insurance applies to “bodily injury”, “property damage” and “personal and advertising injury” only if:

      (1) The “bodily injury” or “property damage” is caused by an “occurrence” that takes place in the “coverage territory” during, the “policy period”; and

      (2) The “personal and advertising injury” is caused by an “offense” arising out of your operations that takes place in the “coverage territory” during the “policy period”; and

      (3) The “bodily injury”, “property damage” or “personal and advertising injury” occurs during the “policy period”; and

      (4) Prior to the “policy period”, no insured listed under Paragraph 1. of SECTION III - WHO IS AN INSURED and no insured authorized by you to give or receive notice of an occurrence" or “claim”, knew or had reason to know that the "bodily injury” or "property damage" had occurred in whole or in part. If any such persons knew or had reason to know, prior to the “policy period”, that the "bodily injury” or “property damage” occurred in whole or part, then any continuation, change or resumption of such "bodily injury” or "property damage" during or after the “policy period” will be deemed to have known to have occurred prior to the “policy period”.

   c. "Bodily injury” or "property damage" which occurs during the “policy period” and was not, prior to the “policy period”, known to have occurred by any insured listed under Paragraph 1. of SECTION III - WHO IS AN INSURED or any person authorized by you to give or receive notice of an “occurrence” or “claim”, includes any continuation, change or resumption of that “bodily injury” or “property damage” after the end of the “policy period”.

   d. "Bodily injury” or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of SECTION III - WHO IS AN INSURED or any insured authorized by you to give or receive notice of an "occurrence" or “claim”:

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(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. This insurance also applies to "personal and advertising injury" caused by an "offense" arising out of your operations; and caused by an "offense" committed in the course of advertising your goods, products or services; but only if such "offense" was committed in the "coverage territory" during the "policy period". This insurance does not apply to "personal and advertising injury" caused by an "offense" arising out of your operations if you are in the business of advertising, publishing, broadcasting or telecasting; or if such "offense" arises out of advertising, publishing, broadcasting or telecasting done for you by others who are in the business of advertising, publishing, broadcasting or telecasting.

2. **"Deductible"**

Damages, excluding "claims expenses", arising out of each "occurrence" or "offense", which would otherwise be payable under this insurance will be reduced by the "deductible", if any, shown on the Declarations of this policy. To settle any "claim" or "suit" we may pay all or any part of any "deductible" stated in this policy. If this happens, you must promptly reimburse us for the "deductible" or the part of the "deductible" we paid. Should we find it necessary to file "suit" seeking recovery for amounts paid by us with regard to a "deductible" which is to be reimbursed by you, it is agreed that you are responsible for all costs of collection, including reasonable attorney's fees and interests on the amount in question up to the full amount allowed by law.

3. **Supplementary Payments**

Supplementary Payments applies only to paragraph 1.a. of the Insuring Agreement. In addition to the Limit of Liability shown in the Declarations, we will pay with respect to any "claim" we investigate or settle, or any "suit" against an insured we defend:

a. All expenses we incur.

b. Up to $2,000 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which this policy applies. We do not have to furnish these bonds.

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

d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the "claim" or "suit", including actual loss of earnings because of time off work, up to $500 a day.

e. All costs taxed against the insured in the "suit".

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

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

These payments will not reduce the Limits of Insurance.

4. **Defense of Indemnitee**

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", to the extent allowed by law;

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" or "offense" 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

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f. The indemnitee:

(1) Agrees in writing to:

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

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

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

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

(2) Provides us with written authorization to:

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

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

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of paragraph 2.b.(2) of SECTION II – EXCLUSIONS, 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:

(1) We have used up the applicable limit of insurance in the payment of judgments or settlements; or

(2) The conditions set forth above, or the terms of the agreement described in paragraph f. above, are no longer met.

These payments will not reduce the Limits of Insurance.

5. **Medical Payments Coverage**

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 pay, regardless of fault, 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.

The amount we will pay is limited as described in SECTION IV—LIMITS OF LIABILITY.

SECTION II—EXCLUSIONS

This insurance does not apply to:

1. **Aircraft, Auto or Watercraft**

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

This exclusion applies even if the "claims" against any insured allege negligence in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury", "property damage" or "personal and advertising injury" 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:

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

b. A watercraft that is:

(1) Less than 51 feet long; and

(2) Not being used to carry persons or property for a charge.

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This exception also applies to any person, who with your expressed or implied consent, either uses or is responsible for the use of a watercraft;

a. 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 any insured;

b. Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft under 51 feet in length; or

c. "Bodily injury" or "property damage" arising out of the operation of any machinery or equipment :

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

(2) Listed in paragraphs g. (2) or g. (3) of the definition of "mobile equipment".

2. **Airport Liability**

"Bodily injury", "property damage" or "personal and advertising injury" arising out of the ownership, operation, maintenance, licensure, permit, use or inspection of any premises or any portion of the premises that is used as an airport, airfield, runway, hangar, or other building or property used in aviation. This exclusion extends to the "loading or unloading" of any aircraft or ground support; or any use of control equipment associated with airfields, runways, hangars, including buildings or other properties used in aviation activities.

3. **Attorneys' Professional Services**

"Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering or failure to render "professional services" to any person or entity by any attorney who is either employed by you or performing work on your behalf in their capacity as an attorney.

4. **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:

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

b. 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 attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:

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

(2). 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.

5. **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:

a. A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or

b. 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.

6. **Damage to Property**

"Property damage" to:

a. 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;

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

c. Property loaned to you;

d. Personal property in the care, custody or control of the insured;

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

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

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Paragraphs a., c. and d. of this Damage to Property 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 Specific Perils - Damage to Premises Rented To You as described in Section IV – LIMITS OF INSURANCE.

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

Paragraphs c. and d. of this exclusion do not apply to "mobile equipment" borrowed or commandeered by an insured in connection with "emergency services actions".

Paragraph d. of this exclusion does not apply to "property damage" to personal property belonging to anyone receiving service from any insured during an "emergency services action" because of loss by theft, physical damage or disappearance of such property during the period when "employees" or authorized "volunteer workers" of the insured arrive on the scene or while they are rendering service to others and ending when they either leave the scene, complete their service, or transfer care of a transported patient to others. This insurance does not apply to that portion of any loss for which the Named Insured has other valid and collectible insurance.

Paragraphs e. and f. of this exclusion do not apply to "property damage" resulting from actions taken to protect persons or property during "emergency services actions".

Paragraphs c., d., e. and f. of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraphs c., d. and f. do not apply to the use of elevators. However, any such insurance afforded shall be excess over any property insurance (including any deductible) available to the insured.

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

7. **Damage to "Your Product"**

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

8. **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.

9. **Distribution of Materials In Violation of Statutes**

Any "bodily injury", "property damage", "personal and advertising injury" or any other injury, "loss", cost or damages 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; or

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

(3) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

10. **Electronic Data**

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

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

11. **Employer's Liability**

"Bodily injury" to:

(1). An "employee" of the insured arising out of and in the course of employment by the insured, or performing duties related to the conduct of the insured's operations; or

(2). Any "volunteer worker", if you provide or are required to provide benefits for such person under any workers' compensation, disability benefits, or unemployment compensation law, or any similar law; or

(3). A firefighter or policeman arising out of the course of employment by the insured, if you provide or are required to provide benefits for such person under any workers' compensation, disability benefits, or

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unemployment compensation law, or any similar law; or

(4). The spouse, child, parent, brother or sister of that "employee" or "volunteer worker" as a consequence of paragraph (1), (2) or (3) above.

This exclusion applies:

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

This exclusion does not apply to liability assumed by the insured under an "insured contract", or to "bodily injury" directly arising out of the rendering or failure to render emergency aid or emergency paramedical services to an "employee" of the insured by any nurse, emergency medical technician or paramedic who is employed by the insured to provide such services.

12. **Employment Related Practices**

"Bodily injury", "property damage" or "personal and advertising injury" to:

a. Any person, or any class of persons, arising out of any:

(1) Type of employment-related practices, policies, acts or omissions, including but not limited to, coercion, demotion, evaluation, reassignment, malicious prosecution, discipline, libel, slander, invasion of privacy, defamation, "harassment", humiliation, or "discrimination" involving or directed at any person; including any verbal, physical, mental or emotional abuse resulting from or arising out of such employment-related practices, policies, acts or omissions;

(2) Failure or refusal to employ, train, or promote that person;

(3) Dismissal, discharge or termination of that person's employment or membership, whether actual or constructive;

(4) Retaliatory action against volunteers or "volunteer workers", or "employees", for the exercise, or not exercising, any legally protected right, or for engaging in any legally protected activity, including but not limited to, actions of:

(a) Performing or declining to perform an unethical or illegal act;

(b) Filing a complaint or bringing "suit" against you or anyone else;

(c) Testifying against any insured at a legal proceeding;

(d) Notifying a proper authority of any aspect of your operation that is illegal;

(5) Violation of any Federal, state or local law (common law or statutory) concerning employment or any employment-related practice, policy or procedure described in (1) above, or if insurance is prohibited by law; or

b. The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in paragraphs (1), (2), (3), (4) or (5) above is directed:

c. Any person or any class of person arising out of any "discrimination" or "harassment" directly or indirectly related to:

(1) The past employment, employment or prospective employment by any insured;

(2) Any fines, penalties, specific performance, or injunctions levied or imposed by a governmental entity, governmental code, law or statute because of "discrimination" or "harassment".

This Employment Related Practices exclusion applies:

(a) Whether the injury-causing event described in Paragraphs a. (1), (2), (3), (4) or (5) above occurs before employment or after employment of that person;

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

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

13. **Engineers, Architects or Surveyors Professional**

Bodily injury", "property damage" or "personal and advertising injury":

a. Arising out of the rendering or failure to render any "professional services" by any engineer, architect or surveyor who is either employed by you or performing work on your behalf in their capacity as an engineer, architect or surveyor. For purpose of this exclusion, "professional services" include, but are not limited to:

(1) The preparing, approving or failing to prepare or approve, maps, shop drawings, opinions, reports,

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surveys, field orders, change orders or drawings and specifications; and

(2) Supervisory, inspection, architectural or engineering activities.

However, this exclusion does not apply to engineering or surveying "professional services" performed by your "employees" acting in the course and scope of their duties for you as such; and

(a) The "professional services" in question are performed in connection with a single project for which the total contract cost does not exceed $1,000,000; or

(b) The "professional services" by any engineer, architect or surveyor are performed solely for the purpose of exercising the insured's right of review or approval of maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications of other engineers or surveyors; and,

(c) Notwithstanding anything in (a) or (b), any exceptions made under this coverage form under Specific Perils - Damage to Premises Rented To You do not apply to architects or architectural "professional services".

14. **Expected or Intended Injury**

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to:

a. "Bodily injury" resulting from the use of reasonable force, if used within the insured's legal authority, to protect persons or property;

b. "Bodily injury" and "property damage" resulting from an act by any insured which is performed within the insured's legal authority and is arising out of "emergency services actions" or "emergency training operations".

15. **Failure to Supply**

"Bodily injury" or "property damage" arising out of the failure of any insured to adequately supply gas, oil, water, electricity or steam by any utility or municipal authority, whether owned or not by any insured.

This exclusion does not apply if the failure results from the sudden and accidental injury to tangible property owned or used by any insured to procure, produce, process or transmit the gas, oil, water, electricity or steam.

By exception, this exclusion does not apply if there is a limit shown on the Declarations extending coverage for Failure to Supply to a designated utility service. However, this exception does not apply if the failure to provide such utility service is due to lack of maintenance or improper care of mains, grids, poles or any equipment; inadequate power source if such inadequacy was known to the Insured prior to the "occurrence" and the Insured did not take steps to correct such inadequacy; or due to breach of an "insured contract".

16. "**Law Enforcement Activities"**

"Bodily injury", "property damage" or "personal and advertising injury":

a. Arising out of any aspect of "law enforcement activities" or operations, including but not limited to, the operation, licensure, maintenance of or use of jails, jail premises, adult or juvenile detention or holding facilities;

b. Arising out of any act or omission connected in any way, either directly or indirectly, to the supervision, management or oversight of "law enforcement activities", police departments, law enforcement agencies, law enforcement agents or "employees", members of commissions, boards, vendors or their "employees", volunteers, including "volunteer workers", units operating under a mutual aid agreement or under the jurisdiction of the insured; or anyone or any entity performing "law enforcement activities" ; or

c. Arising from any decisions or actions in connection with funding or failure to fund for "law enforcement activities".

17. **Liquor Liability**

a. "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.

b. This exclusion applies only if you are in the business or operations of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

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c. However, this exclusion does not apply to "bodily injury" or "property damage" arising out of the selling, serving or furnishing of alcoholic beverages at functions or activities that are:

(1) Temporary in nature;

(2) Not exceeding five (5) consecutive days in duration per activity or function; and

(3) Sponsored by you.

18. **Medical Payments Exclusion**

Under Medical Payments Coverage, we will not pay for "bodily injury":

a. To any insured, except your "volunteer workers". However, the coverage provided by this exception for "volunteer workers" is excess over any valid and collectible coverage, including but not limited to workers' compensation or similar benefits available to the "volunteer worker";

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 any inmate, patient or prisoner who is being treated, cared for, detained or imprisoned in any of your facilities;

e. To any person, whether or not an "employee" of any insured, if benefits must be provided under a workers' compensation or disability benefits law or a similar law;

f. To any person while practicing for or participating in any sports activity or exhibition;

g. Included within the "products-completed operations hazard";

h. Excluded under this policy; or

i. Due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution.

19. "**Medical Professional Services"**

"Bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering or failure to render:

a. Medical, surgical, dental, x-ray or nursing service, treatment, advice or instruction; or

b. any health or therapeutic service, treatment, advise or instruction;

c. the furnishing or dispensing of:

(1) over the counter medicine or prescription medicine;

(2) medical, dental or surgical supplies or appliances; or

(3) first aid;

d. the handling or treatment of dead bodies, including autopsies, organ donations or other procedures.

This exclusion does not apply to any Insured who:

a. Is not required to hold a medical license;

b. Is a licensed or registered nurse, counselor, psychologist, emergency medical technician (EMT), paramedic, or pharmacist but then only for services within the scope of their employment for you; or

c. Acts as a moderator for support groups and is not a licensed or certified psychologist or psychiatrist.

These exceptions do not apply if such injury or damage takes place after that insured's license or right to practice healthcare services has been revoked, suspended or surrendered at the request of any regulatory authority.

20. **Medical and Related Facilities Activities**

"Bodily injury", "property damage" or "personal and advertising injury" arising out any operations or activities at or from any medical or health facility owned, operated, used, inspected, maintained, or licensed by any insured, or located on any property owned, leased, rented or subleased by any insured. For purpose of this exclusion, medical or health facility includes but is not limited to the following:

a. Medical centers or medical universities or any similar facilities;

b. Hospitals or clinics, including group medical facilities, trauma centers, or similar facilities;

c. Nursing or convalescent homes, institutions or similar facilities for the aged, developmentally disabled, mentally or physically challenged;

d. Homes or sanitariums for the mentally ill, depression centers, or similar facilities;

e. Drug, alcohol or substance abuse treatment facilities or similar health care or treatment centers;

f. Infirmaries or similar facilities; or

g. Pharmacy or other prescription drug or medical equipment dispensing facilities.

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21. **Mobile Equipment**

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

a. The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or

b. The use of "mobile equipment" in, or while in practice or preparation for any prearranged racing, speed or demolition contest or in any stunting activity.

22. **"Personal and Advertising Injury"**

a. "Bodily injury"

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

b. Violation of Another's Rights

Knowledge of Violation of Another's Rights Caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "bodily injury" or "personal and advertising injury";

c. Violation of Published Material

(1) Arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity; or

(2) Arising out of oral or written publication of material whose first publication took place before the beginning of the "policy period";

d. Criminal Acts and Violation of Statute or Ordinance

(1) Arising out of a criminal act committed by or at the direction of the insured; or

(2) Arising out of the willful violation of a penal statute or ordinance committed by or with the consent of the insured;

e. Assumed Liability and Breach of Contract

(1) 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; or

(2) Breach of contract, other than misappropriation of advertising ideas under an implied contract;

f. Violations of Goods, Products or Services

(1) Arising out of the failure of goods, products or services to conform with advertised quality or performance; or

(2) The wrong description of the price of goods, products or services;

g. Infringement of Copyright, Patent, Trademark or Trade Secret

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.

h. Advertising, Broadcasting, Publishing, Telecasting and Internet Businesses or Activities

(1) Arising out of an "offense" committed by an insured whose business is advertising, broadcasting, publishing or telecasting;

(2) Arising out of an "offense" committed by an insured whose business is designing or determining the content of websites for others; or

(3) Arising out of an "offense" committed by an insured whose business is an internet search, access, content or service provider.

However, exclusions (1) through (3) above do not apply to "personal and advertising injury" arising out of:

(1) False arrest, detention or imprisonment;

(2) Malicious prosecution;

(3) 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.

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

(1) Arising out of an electronic chatroom or bulletin board the insured hosts, owns or over which the insured exercises control;

(2) Arising out of the unauthorized use of another's name or product in your email address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

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23. **Pollution**

a. To “bodily injury”, “property damage”, “personal and advertising injury”, or any other injury, damage, loss, cost, expense, liability or legal obligation arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release, escape or potential presence in or introduction into the environment of any substance if such substance has, or is alleged to have, the effect of making the environment impure, harmful or dangerous; or any other such substances that are considered a “pollutant”. Environment includes any air, land, structure (or the air within), watercourse or other body of water, including underground water; or

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

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

(2) Any “claim” or “suit” by or on behalf of a government 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 affects of, “pollutants”.

c. Paragraph a. of this Pollution exclusion does not apply:

(1) Heating, Air Conditioning, Ventilation Systems

To “bodily injury” if sustained within a building which is owned or occupied by, or rented or loaned to, any insured and is 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; or

(2) “Hostile Fire”

To "bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire" unless that "hostile fire" occurred or originated:

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

b. At any premises, site or location 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

c. At any premises, site or location on which any insured or other 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" except to the extent coverage is provided in Paragraph (3) Emergency Operations below.

(3) Emergency Operations

To “bodily injury" or "property damage" which occurs or takes place as a result of your operations provided the “bodily injury” or “property damage” is not otherwise excluded in whole or part and arises out of the following:

(a) Urgent response for the protection of property, human life, health or safety conducted away from premises owned by or rented to or regularly occupied by you;

(b) "Emergency training operations" by you;

(c) Water runoff from the cleaning of equipment used in "emergency services activities";

(4) “Mobile Equipment”

To “bodily injury” or “property damage” arising out of fuels, lubricants or other operating fluids needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, but only if:

(a) The fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them; and

(b) The fuels, lubricants or other operating fluids were not:

i. Intentionally discharged; or

ii. Brought on or to a premises, site or location with the intent to be discharged as part of the operations being performed

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by an insured, contractor or subcontractor.

(5) Road Treatment Chemicals

To "bodily injury" or "property damage" arising out of the application or use of sodium chloride, chloride calcium or other chemical products designed for the treatment of roads and other paved surfaces for weather conditions.

(6) Swimming Pools

To "bodily injury" or "property damage" arising out of the application or use of chlorine or other chemical products designed for the treatment of swimming pools.

(7) Pesticides or Herbicides

To "bodily injury" or "property damage" arising out of the application or use of pesticides or herbicides.

(8) Water Treatment

To “bodily injury” or “property damage” arising out of the usage, handling or storage of any chemical designed for use in the treatment of water or wastewater.

(9) Above Ground Tanks

To "bodily injury" or "property damage" arising out of any discharge, dispersal, release or escape of “pollutants” from an above ground storage tank, its facilities or piping with a storage tank capacity of 2,500 gallons or less while at a premises you own or legally occupy in the “coverage territory”, but only if:

(a) Such discharge, dispersal, release or escape of “pollutants” begins at an identified time and place during the “policy period”; and

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

(10) Water and Sewage Operations

(a) To “bodily injury” or “property damage” arising out of water intended for human consumption, which is provided by the insured; or

(b) To “property damage” to a building or its contents, or resulting “bodily injury”, if such “property damage” or “bodily injury” is caused by the escape or back-up of sewage or waste water from any sewage treatment facility or fixed conduit or piping that you own, operate, lease, control or for which you have the right of way, but only if “property damage” occurs away from land you own or lease.

(11) Sudden and Accidental Discharge

Paragraphs c. (2), (3), (4), (5), (6), (7), (8), (9) and (10) of this Pollution exclusion only apply if:

(a) The discharge is accidental, unintended and stopped as soon as possible; and

(b) Only if such “bodily injury” or “property damage” did not occur as a result of corrosive or radioactive material or waste in the sewage.

The entirety of any discharge or series of related discharges will be deemed a single discharge regardless of the length of time over which the “pollutants” are released. The entirety of any discharge or series of related discharges will be deemed to have occurred at the date the earliest discharge commenced.

Discharge as used in this exclusion includes discharge, dispersal, seepage, migration, release or escape.

The exceptions to this Pollution exclusion only apply if, at the time of loss, the insured meets all standards of any statute, ordinance, regulation or license requirement of any Federal, state or local government relating to the application use, storage or handling of any chemical and the insured does not sell, apply, use, transport or store any chemical that is banned or listed as suspect by any federal, state or local government authority.

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

24. **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:

a. “Your product”;

b. “Your work”; or

c. “Impaired property”;

If such product, work, or property is withdrawn or recalled from the market or from use by any person or or-

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ganization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

25. **Specific Perils - Damage To Premises Rented To You Coverage**

If a limit is shown on the Declarations for Damage To Premises Rented To You, the following exclusions listed above do not apply to damage by "specific perils" to premises rented to you or temporarily occupied by you with permission of the owner:

Exclusion numbers 3., 5., 7., 9., and 11. through 14.

A separate limit of insurance applies to this coverage as described in SECTION IV — LIMITS OF INSURANCE as Specific Perils - Damage To Premises Rented To You. This limit will apply to all damages proximately caused by the same event, whether such damage results from one or more of these "specific perils".

26. Strike, Riot, Civil Commotion or Mob Action

"Bodily injury", "property damage", "personal injury", and "advertising injury" arising out of :

a. Strike, riot, civil commotion or mob action; or
b. Any act or omission in connection with the prevention or suppression of a strike, riot , civil commotion or mob action.

27. **Underground Storage Tanks**

"Bodily injury" or "property damage" arising out of any emission, discharge, dispersal, seepage, migration, release or escape directly from any underground storage tanks or facilities, or their piping. Underground storage tank means any storage tank, including any attached pumps, valves or piping, having at least 10% of it buried below the surface of the ground or water, or which, at any time, had been buried under the surface of the ground or water and then subsequently exposed by any means.

SECTION III—WHO IS AN INSURED

1. The term Insured as used herein means the entity stated in the Declarations as the Named Insured and except as excluded by endorsement to this policy:

a. **Governmental Entities, Boards and Commissions:**

A governmental agency or authority, subdivision, department, municipal body, board or commission, or other similar unit that is:

(1) Operated by you;

(2) Subject to your oversight, control or direction; and

(3) Operated with funds provided by you and allotted to such agency, authority, subdivision, department, municipal body, board or commission.

This includes the individual members of your governmental entities, boards and commissions, but only with respect to their responsibilities and duties and while acting within the scope of authority allocated by their position on such governmental entities, boards and commissions.

However, no such agency, authority, subdivision, department, municipal body, board or commission, administrative department or other similar unit that is an autonomous entity; or that is wholly subject to independent or outside oversight, control or direction; or whose liability is not the result of the oversight, control or direction of the Named Insured, will be an insured under this policy.

b. **Directors and Executive Officers:**

An individual while appointed as a director or "executive officer", but only with respect to their duties as your officers or directors and while acting within the scope of authority allocated by their position as your officers or directors;

c. **Elected or Appointed Officials:**

An elected or appointed official or a member of any board, commission or agency of yours, but only with respect to their duties and while acting within the scope of authority allocated by their position as such elected or appointed official of that board, commission or agency;

d. **Partnerships or Joint Ventures:**

A partnership or joint venture, including a mutual assistance pact, joint powers agreement or similar arrangement, but only with respect to the conduct and scope of your operations and only to the extent of your sole participation or interest;

e. **Trustees:**

A trustee, but only as respects their duties as your trustee;

f. **Emergency Medical Responder:**

A paramedic or emergency medical technician, but solely while acting within the course and scope of your employment or while acting as your "volunteer worker" and at your direction while providing emergency health care services;

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g. **Emergency Dispatchers:**

911 dispatchers, but solely while acting within the course and scope of their employment by you or at your direction;

h. **Employees and Volunteers:**

Your "employees" and volunteers not otherwise covered under 1.a. through 1.g., including your "volunteer workers", but only for acts within the course and scope of their employment or within the scope of volunteer activities under your direction that are insured by this policy;

2. In addition, each of the following is an Insured, except if otherwise excluded herein or by endorsement:

a. **Mutual Aid Agreements:**

Any persons or organizations providing service to you under any mutual aid or similar agreement, but only for acts within the course and scope of that mutual aid or similar agreement insured by this policy.

b. **Good Samaritans:**

"Employees" and volunteers, including "volunteer workers", while acting individually or collectively as a Good Samaritan, independent of their activities on your behalf, but only when at the scene of an accident or emergency requiring sudden action. In no event will such person who responds to the scene of an accident or emergency with or for any other "employee", or another emergency organization for which they may be either "employees" or volunteers on a regular or irregular basis, be an insured.

c. **Owners of Commandeered Equipment:**

The owner of commandeered equipment other than an "auto" is an Insured, but only while the equipment is in your temporary care, custody or control and only while being used as part of an "emergency service action".

d. **Real Estate Managers:**

Any person or organization while acting as your real estate manager, but only within the course and scope of their duties as your real estate manager.

3. **Newly Acquired Organizations:**

Any organization you newly acquire or form, other than a partnership or joint venture, limited liability company, or for-profit corporation, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

a. Coverage under this provision is afforded only until the 120th day after you acquire or form the organization or, the end of the "policy period", whichever is earlier; and

b. Coverage does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and

c. Coverage does not apply to "personal and advertising injury" arising out of an "offense" committed before you acquired or formed the organization; and

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

We reserve the right within the 120 day coverage period outlined in a. above to endorse your policy to exclude coverage for the new organization; however, we will provide thirty (30) days notice of such new organization being excluded.

4. **Mobile or Leased Equipment Contracts:**

With respect to "mobile equipment" registered in your name under any motor vehicle registration law, any person is an insured while driving such equipment along a public highway with your permission. Any other person or organization responsible for the conduct of such is also an insured, but only with respect to liability arising out of the operation of the equipment, and only if no other insurance of any kind is available to that person or organization for this liability.

With respect to leased equipment, including "mobile equipment", that is the subject of a contract or agreement between you and any other person or organization, such person or organization is an additional insured under this coverage form, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of "mobile equipment" leased or rented to you by such person or organization, and only for the period of time the contract or agreement is in effect. However, no person or organization is an Insured with respect to property owned by, rented to, in the charge of, or occupied by you or the employer of any person who is an insured under this provision.

5. **Blanket Additional Insureds**

a. Any person or organization whom you are required to add as an additional insured to this policy under a written or oral "insured contract", agreement or permit:

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(1) Currently in effect or which will become effective during the term of the policy; and

(2) Executed prior to the "occurrence" which results in "bodily injury" or "property damage" under Coverage A, or the offense which results in "personal and advertising injury" under Coverage B.

b. The insurance provided to this additional insured is limited as follows:

(1) That person or organization is an additional insured only with respect to liability arising out of:

a. Premises you own, rent, lease or occupy; or

b. Your ongoing operations performed for that additional insured as specified in the written or oral "insured contract", agreement or permit.

(2) The limits of insurance applicable to the additional insured are those specified in the contract, agreement, permit or in the Declarations of this policy, whichever are less. These limits of insurance are inclusive of and not in addition to the Limits of Insurance shown in the Declarations.

(3) Coverage is not provided for "bodily injury", "property damage", or "personal and advertising injury" arising out of the sole negligence of the additional insured.

c. The insurance provided to the additional insured does not apply to "bodily injury", "property damage", or "personal and advertising injury" arising out of an architect's, engineer's or surveyor's rendering or failure to render any professional services including:

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

(2) Supervisory, inspection, architectural or engineering activities.

d. Coverage provided by this endorsement is excess over any other valid and collectible insurance available to the additional insured whether primary, excess, contingent or on any other basis.

When this insurance is excess, we will have no duty under Coverage A. Bodily Injury and Property Damage Liability or Coverage B. Personal and Advertising Injury Liability to defend the additional insured against any "suit" if any other insurer has a duty to defend the additional insured against that "suit". If no other insurer defends, we may undertake to do so, but we will be entitled to the additional insured's rights against all those other insurers.

6. **Users of Golfmobiles:**

Any person(s) using or legally responsible for the use of golfmobiles in your operations, or loaned or rented to others by you or your concessionaires, but only with respect to their liability caused by the use of such golfmobiles.

SECTION IV—LIMITS OF INSURANCE

1. The LIMITS OF INSURANCE shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

a. Insureds;

b. "Claims" made or "suits" brought; or

c. Persons or organizations making "claims" or bringing "suits".

In the event that more than one coverage applies to the same "claim" or "suit" brought against any insured, our total liability for all damages with respect to such "claim" or "suit" shall not exceed the highest single limit of liability under any such coverage.

2. The GENERAL AGGREGATE LIMIT is the most we will pay for the sum of:

a. Medical expenses under Medical Payments Coverage;

b. Damages under "Bodily Injury" and "Property Damage", except such damages included in the "Products-Completed Operations Hazard"; and

c. Damages under "Personal and Advertising Injury".

3. The PRODUCTS-COMPLETED OPERATIONS AGGREGATE LIMIT is the most we will pay for damages because of "Bodily Injury" and "Property Damage" included in the "Products-Completed Operations Hazard".

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

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

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a. Damages under ”bodily injury” and “property damage”; and

b. Medical expenses’

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

6. Subject to 5. above, the Specific Perils - Damage to Premises Rented to You limit shown in the Declarations for “property damage” to any one premises while rented to you, or in the case of damage by “specific perils” while rented to you, temporarily occupied by you with the permission of the owner, or managed by you under a written agreement with the owner, is the greater of:

   a. $1,000,000 Any One Premises; or

   b. The Specific Perils - Damage to Premises Rented To You limit shown in the Declarations.

7. Subject to 5. above, the Medical Payments Limit is the most we will pay for all medical expenses because of “bodily injury” sustained by any one person.

The limits of this Coverage Form 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 preceding period for purposes of determining the Limits of Insurance.

SECTION V—GENERAL LIABILITY CONDITIONS

In addition to the following Conditions, also refer to the COMMON POLICY CONDITIONS.

1. 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” that may result in a “claim”. This requirement applies only when such “occurrence” or “offense” is known or reasonably should have been known to any of the following:

      (1) You;

      (2) Any “executive officer” or insurance manager of an insured; or

      (3) Any elected or appointed official, if an insured is a political subdivision or public entity.

      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, or if an action is initiated, you must:

      (1) Immediately record the specifics of the “claim”, “suit” or notice of action 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”, “suit” or notice of action within (ten) 10 days of its receipt by you.

      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.

   c. No insureds will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

   d. Notice given by or on behalf of the insured, or written notice by or on behalf of the injured person or any other claimant, to any agent of ours, with particulars sufficient to identify the insured, shall be considered to be notice to us.

   e. In the event that any insured reports an “occurrence” to the Workers’ Compensation and/or Employer’s Liability carrier of the insured, and this “occurrence” later develops into a “claim” to be covered under this General Liability Coverage Form, the failure to report such “occurrence” to us at the time of the “occurrence” shall not be deemed to be in violation of this condition. You must however, give us notice as soon as practicable after being made aware that the particular “claim” is a General Liability “claim”.

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SECTION VI—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 purpose of this definition: Notices that are published include material placed on the Internet or on similar electronic means of communication; and regarding websites, only that part of a website that is about your goods, products or services for the purposes of attracting customers or supporters is considered an "advertisement".

2. "Deductible" means the amount you must contribute to each "loss". If more than one "claim" results from a "loss" or a series of related "losses" committed by one or more insureds, the "deductible" will apply only once. We will then pay covered "losses" over the "deductible" amount, up to the applicable Limit of Insurance. The "deductible" does not apply to Supplementary Payments as provided for under this Coverage Form. We can pay all or part of the "deductible" to settle a "claim". If we do, you agree to repay us as soon as we notify you of the settlement.

3. "Discrimination" means a violation of a person's civil rights with respect to such person's race, color, national origin, gender, marital status, age, sexual orientation or preference, physical or mental condition, or any other protected class or characteristic established by any federal, state or local statutes, rules or regulations.

4. "Emergency services actions", either singular or plural, means actions:

   a. Which are urgent responses for protection of property, human life, health or safety; and

   b. Which result or arise from the assisting with, performing or attempting to perform firefighting, rescue, emergency hazardous materials response, emergency medical services, and/or the stabilizing or securing of an emergency scene, including runoff from the cleaning of equipment as a result of such operations; and

   c. Which are sanctioned by the Fire Department, First Aid or Rescue Squad insured under this policy, or by the officers of such organizations; or by order of the American Red Cross.

   Actions a. and b. include those actions performed by members of other Fire Companies, Municipal Fire Departments, Ambulance Squads and Rescue Squads which are sanctioned by the Fire Department, First Aid or Rescue squad insured under this policy, or by the officers of such organizations.

   For purpose of this definition, "property damage" arising out of "emergency services actions" includes cleanup of a pollutant.

5. "Emergency training operations" means activities used to prepare, train or instruct fire department, first aid squad or rescue squad members, or those persons handling hazardous materials, to respond to "emergency service actions" according to accepted and recognized emergency procedures, including applicable municipal, state and Federal standards.

   "Emergency training operations" include controlled burns of overgrown vegetation and fires intentionally ignited by you for the purpose of fire suppression training and instruction, and are away from any premises you own, rent or occupy.

6. "Employee" includes a "leased worker", but does not include a "temporary worker".

7. "Employee leasing firm" means a business entity who contracts to furnish its "employees" to serve other business entities.

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

9. "Harassment" means the making of unwanted and offensive remarks, advances or acts.

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

11. "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.

12. "Insured contract" means:

    a. A lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire, lightning or explosion to premises while rented to you or tempo-

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rarily occupied by you with permission of the owner is not an "insured contract";

b. A sidetrack agreement;

c. An 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 operations (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.

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

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

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

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

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

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

(4) That indemnifies any person or organization for damage by "specific perils" to premises rented or loaned to you.

13. "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 operations. "Leased worker" does not include:

a. An independent contractor;

b. A worker furnished to any insured by a "temporary help service";

c. An "employee" of any insured who performs work for any insured pursuant to the terms of a collective bargaining agreement between any insured and a labor union; or

d. An "employee" of a "service contractor".

14. "Loss" or "losses" means any amount that an insured is legally obligated to pay for a "claim" made against the insured for "bodily injury" or "property damage", including but not limited to damages, judgments, settlements, and awards. "Loss or "losses" does not mean fines, penalties, punitive or exemplary damages.

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

16. "Offense" means an "offense" described in the definition of "personal and advertising injury". All "personal and advertising injury" arising out of the repeated publication of the same or similar material, regardless of the mode in which such material is communicated, shall be considered as arising solely out of one "offense".

17. "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 by or on behalf of its owner, landlord or lessor;

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

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

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

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

h. False or improper service of process.

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With respect to "personal and advertising injury", damages mean monetary sums and exclude all forms of injunctive relief and declaratory judgments.

18. "Pesticides or herbicides" means insecticides, herbicides, pesticides, fungicides, nematocides and fertilizers, chlorine or other chemicals or materials used or intended for use in landscaping, lawn, garden, tree and shrub, or swimming pool maintenance operations. This includes dispersal agents and other substances used during the application of "pesticides or herbicides" as a result of their interaction with other substances.

19. "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.

20. "Products-completed operations hazard":

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

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

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

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

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

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

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

        The "bodily injury" or "property damage" must occur away from premises you own or rent, unless your operations 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;

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

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

21. "Professional Services", either in the singular or plural, means any act or service arising out of a vocation, calling, occupation or employment involving specialized training, knowledge, labor or skill, and which requires special licensing by an agency, organization or entity authorized to award such license(s).

22. "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 purposes of this insurance, electronic data is not tangible property.

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

23. "Property rights" means rights granted under any ordinance or law regulating zoning, construction, use or repair of any real property only when arising out of or in any way connected with the principles of eminent domain, condemnation and inverse condemnation. These rights do not include any rights to refunds of taxes, fees, assessments, or similar payments.

24. "Specific perils" means fire, explosion, smoke or riot or civil commotion. "Specific perils" only applies if a limit is shown on the General Liability Declarations page for Specific Perils - Damage to Premises Rented To You.

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25. "Service contractor" means a person or organization who contracts to provide identified services to or for the benefit of any insured, utilizing workers:
    a. Who are "employees" of that person or organization; and
    b. Whose work activities are generally under the control and direction of that person or organization.
26. "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 work conditions.
27. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage", "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.
28. "Temporary help service" means an entity that assigns its own "employees" to clients to support or supplement the client's work force in situations such as "employee" absences, temporary skill shortages, seasonal workloads and special assignments and projects.
29. "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. "Volunteer worker" includes but is not limited to your volunteer firefighters, volunteer nurses, and other volunteer persons acting specifically on your behalf or within the scope of their volunteer work for you.
30. "Your product" means:
    a. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
        (1) You;
        (2) Others trading under your name; or
        (3) A person or organization whose business or assets you have acquired; and
    b. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products

    "Your product" includes:
    a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
    b. The providing of or failure to provide warnings or instructions.

    "Your product" does not include vending machines or other property rented to or located for the use of others but not sold.
31. "Your work" means:
    a. Work or operations performed by you or on your behalf; and
    b. Materials, parts or equipment furnished in connection with such work or operations.
32. "Your work" includes:
    1. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
    2. The providing of or failure to provide warnings or instructions.

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LAW ENFORCEMENT LIABILITY COVERAGE FORM
OCCURRENCE COVERAGE

Law Enforcement Liability coverage applies only if limits are shown in **Item 8.** of the Declarations.

Within this Coverage Form the word "insured" means any person or organization qualifying as such under LAW ENFORCEMENT LIABILITY— WHO IS AN INSURED.

SECTION I—COVERAGES

1. **INSURING AGREEMENT**

We will pay on behalf of the insured all "loss" resulting from "law enforcement wrongful act(s)" which arise out of and are committed during the course and scope of "law enforcement activities" or which arise out of the ownership, maintenance or use of premises by you for the purpose of conducting "law enforcement activities." The "law enforcement wrongful act(s)" must occur during the "policy period" and within the "coverage territory."

2. **DEFENSE AND SUPPLEMENTARY PAYMENTS**

We will have the right and duty to defend any "suit" against the insured even if any of the allegations of the "suit" are groundless, false or fraudulent. We may make such investigation of any "claim" or "suit" as we deem expedient. We will not be obligated to pay any "claim" or judgment or to defend any "suit" after the applicable limit of our liability has been exhausted by payment of judgments or settlements.

The insured, except at its own cost and for its own account, will not, without our written consent, make any payment, admit any liability, settle any "claim," assume any obligation, or incur any expense.

We will have the right, but no duty, to appeal any judgment.

We will pay, in addition to the applicable Limit of Liability:

1. All expenses incurred by us and all interest on the entire amount of any judgment, which does not exceed the limit of our liability. Expenses, as used here, do not include salaries of officers or employees of any public entity; and
2. Premium on appeal bonds required in any "suit" defended by us and the cost of attachment or similar bonds.

SECTION II—EXCLUSIONS

We will not be obligated to make any payment nor to defend any "suit" in connection with any "claim" made against the insured:

1. Employment Related Practices

For "claims", demands or actions seeking relief or redress in any form by:

A. Any person, or any class of persons, arising out of any:

(1) Type of employment-related practices, policies, acts or omissions, including but not limited to, coercion, demotion, evaluation, reassignment, malicious prosecution, discipline, libel, slander, invasion of privacy, defamation, "harassment", humiliation, or "discrimination" involving or directed at any person; including any verbal, physical, mental or emotional abuse resulting from or arising out of such employment-related practices, policies, acts or omissions;

(2) Failure or refusal to employ, train, or promote that person;

(3) Dismissal, discharge or termination of that person's employment or membership, whether actual or constructive;

(4) Retaliatory action against volunteers or "volunteer workers", or "employees", for the exercise, or not exercising, any legally protected right, or for engaging in any legally protected activity, including but not limited to, actions of:

(a) Performing or declining to perform an unethical or illegal act;

(b) Filing a complaint or bringing "suit" against you or anyone else;

(c) Testifying against any insured at a legal proceeding;

(d) Notifying a proper authority of any aspect of your operation that is illegal;

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(e) Violation of any Federal, state or local law (common law or statutory) concerning employment or any employment-related practice, policy or procedure described in (1) above, or if insurance is prohibited by law; or

B. The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in paragraphs (1), (2), (3), (4) or (5) above is directed:

C. Any person or any class of person arising out of any "discrimination" or "harassment" directly or indirectly related to:

(1) The past employment, employment or prospective employment by any insured;

(2) Any fines, penalties, specific performance, or injunctions levied or imposed by a governmental entity, governmental code, law or statute because of "discrimination" or "harassment".

This Employment Related Practices exclusion applies:

(1) Whether the injury-causing event described in Paragraphs a. (1), (2), (3), (4) or (5) above occurs before 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.

2. For "claim(s)," demands, or actions seeking relief or redress in any form other than monetary damages, or for any fees, costs or expenses which the insured may become obligated to pay as a result of any adverse judgment for declaratory relief or injunctive relief; however, we will afford defense to the insured for such actions, "claim(s)," "suit(s)" or demands in which monetary damages are requested if not otherwise excluded;

3. Arising out of the rendering of, or failure to render any medical services by any licensed medical personnel. However, any insured who, in good faith, renders emergency medical care or assistance to any ill or injured person which results in "personal injury" or "bodily injury" covered by this Coverage Form will not be subject to this exclusion;

4. For liability assumed by the insured under any contract or agreement. This exclusion does not apply to liability for damages:

a. Assumed in a contract or agreement that is an "insured contract," provided the "law enforcement wrongful act" occurs subsequent to the execution of the contract or agreement; or

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

5. For "personal injury" or "bodily injury" to:

a. An employee of the insured arising out of and in the course of employment by the insured;

b. An auxiliary law enforcement officer or volunteer law enforcement officer serving under the direction and control of the insured; or

c. The spouse, child, parent, brother or sister of that employee, or auxiliary volunteer law enforcement officer as a consequence of a. or b. above.

The exclusion applies:

a. Whether the insured may be liable as an employer or in any other capacity; and

b. 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";

6. For "personal injury," "bodily injury," or "property damage" arising out of the ownership, maintenance, operation, use, "loading or unloading", or entrustment to others of any:

a. "auto," watercraft, or aircraft owned by or operated by or rented or loaned to the insured; or

b. To any other "auto," watercraft or aircraft operated by any person in the course of his employment by the insured;

c. This exclusion applies even if the "claims" against any insured allege negligence in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury", "property damage" or "personal injury" 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.

7. Arising out of "property damage" to:

a. Property which is owned by, rented by, loaned to or occupied by any insured;

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b. Premises which have been sold, given away, or abandoned by the insured if the "property damage" arises out of any part of those premises; or

c. Property in the care, custody and control of any insured.

However, part c. of this exclusion does not apply to property on persons at the time of arrest;

SECTION III—LAW ENFORCEMENT LIABILITY—WHO IS AN INSURED

Each of the following is an Insured:

1. You for activities conducted by the Law Enforcement Department or Agency named on the Declarations;
2. All of your full- or part-time employees and all persons who were, now are, or will be your lawfully elected, appointed or employed officials with respect to liability arising out of "law enforcement activities";
3. All auxiliary and volunteer law enforcement officers who serve under the direction and control of your Law Enforcement Department or Agency shown on the Declarations; and
4. The estates, heirs, legal representative or assigns of deceased persons who were insured's at the time of a "law enforcement wrongful act(s)" but only to the extent that they would otherwise be provided coverage under this Coverage Form.

SECTION IV—LIMITS OF LIABILITY

Regardless of the number of insureds under this Coverage Form, persons or organizations who sustain damages payable under this Coverage Form, and/or "suit(s)" brought on account of coverage afforded by this Coverage Form, our liability is limited as follows:

1. The Limit of Liability shown on the Declarations as applicable to each person is the limit of our liability for all "loss" sustained by any one person as the result of any one "law enforcement wrongful act" covered by this Coverage Form; but subject to the above provisions respecting each person, the total limit of our liability for all "loss" sustained by two or more persons as the result of any one "law enforcement wrongful act" covered by this Coverage Form will not exceed the Limit of Liability stated on the Declarations as applicable to each "law enforcement wrongful act."
2. The Limit of Liability shown on the Declarations as applicable to the Annual Aggregate is subject to the above provision respecting each person and each "law enforcement wrongful act," and is the maximum limit of our liability for each "policy period."
3. Subject to the Limits of Liability stated above, we will only be liable to pay for damages in excess of the "deductible" shown on the Declarations for each and every "law enforcement wrongful act." In the event that we expend funds either for damages or "loss adjustment expense" on behalf of the insured, we will be reimbursed for such expenditures up to the amount of the "deductible" shown on the Declarations. Upon written demand by us, the amount of such "deductible" will be payable to us within thirty (30) days.
4. "Claim(s)" based on or arising out of the same act or interrelated acts of one or more insured(s) will be considered to be based on a single "law enforcement wrongful act" and only one each "law enforcement wrongful act" Limit of Liability and only one "deductible" will be applicable to such single "law enforcement wrongful act."

SECTION V—CONDITIONS

1. **Settlement.**

   We will not settle any "suit" without the insured's consent. If, however, the insured refuses to consent to any settlement, and shall elect to contest the "claim" or continue any legal proceedings in connection with such "claim," our liability for the "claim" shall not exceed the amount for which the "claim" could have been so settled, plus "loss adjustment expense" incurred up to the date of such refusal.

2. **Insured's Duties In The Event Of A "Law Enforcement Wrongful Act," "Claim" or "Suit."**

   a. In the event of a "law enforcement wrongful act," written notice containing particulars sufficient to identify the insured and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and of available witnesses, will be given by or for the insured to us or any of our authorized agents as soon as practicable;

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b. If a "claim" is made or a "suit" is brought against the insured, the insured will as soon as practicable forward to us every demand, notice, summons or other process received by them or their representative;

c. The insured will cooperate with us and, at our request, consent to being examined and questioned by a representative of ours, under oath if necessary, attend hearings, depositions and trials and will assist in effecting settlement, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of "suit(s)," as well as in the giving of written statement or statements to our representatives and defense. In the event of a "claim" occurring likely to involve us hereunder, the insured will not make any payment, assume any liability or incur any expense without our consent first being obtained. We will have full discretion in the handling of any "claim," and the insured will give full information and assistance as we may reasonably require.

SECTION VI—DEFINITIONS

Whenever used in this Coverage Form, the following words have these meanings:

1. "Claim" means a written notice from any party that it is their intention to hold an insured responsible for "loss" resulting from a "law enforcement wrongful act" covered by this Coverage Form.

2. "Deductible" means the amount shown on the Declarations that the insured must contribute to "loss" and "loss adjustment expense."

3. "Insured contract" means:

   a. A lease of premises agreement;

   b. An elevator maintenance agreement; and

   c. That part of any other contract or agreement pertaining to "law enforcement activities" under which the insured assumes the tort liability of another political subdivision to pay for "personal injury," "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.

   An "insured contract" does not include that part of any contract or agreement that indemnifies any person or organization for damage by fire to premises rented or loaned to the insured.

4. "Law enforcement wrongful act" means any actual or alleged act, error or omission, neglect or breach of duty by the insured while conducting "law enforcement activities" which results in:

   a. "personal injury"; or

   b. "bodily injury"; or

   c. "property damage,"

   caused by an "occurrence."

5. "Loss" means any monetary amount which the insured(s) are legally obligated to pay as a result of "law enforcement wrongful act(s)" covered by this Coverage Form and will include but not be limited to judgments and settlements, but "loss" will not include fines imposed by law, or matters which may be deemed uninsurable under the law pursuant to which this Coverage Form will be construed.

6. "Loss adjustment expense" means expenditures including, but not limited to, costs of investigations, experts, adjustment services, legal services, court costs and other similar expenses incurred by us. "Loss adjustment expense" will not include salaries of our employees.

7. "Occurrence" means an event, including continuous or repeated exposure to substantially the same generally harmful conditions.

8. "Personal injury" means:

   a. Assault and battery;

   b. Discrimination, unless insurance thereof is prohibited by law;

   c. False arrest, detention or imprisonment, or malicious prosecution;

   d. False or improper service of process;

   e. Humiliation or mental distress;

   f. The publication or utterance of a libel or slander or of other defamatory or disparaging material, or a publication or utterance in violation of an individual's right to privacy; except publications or utterances in the course of or related to advertising, broadcasting or telecasting activities by or on behalf of the insured;

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g. Violation of civil rights protected under 42 USC 1981 et sequential or State Law;

h. Violation of property rights; and

i. Wrongful entry, eviction or other invasion of the right of public occupancy.

9. "Property damage" means:

a. Physical injury to or destruction of tangible property, including loss of use thereof at any time resulting there from; or

b. Loss of use of tangible property which has not been physically injured or destroyed.

10. "Suit" means a civil proceeding in which monetary damages are alleged because of a "law enforcement wrongful act" to which this Coverage Form applies. "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.

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PUBLIC OFFICIALS LIABILITY COVERAGE FORM
CLAIMS-MADE COVERAGE

Public Officials Liability coverage applies only if limits are shown in **Item 11.** of the Declarations.

Within this Coverage Form, the word "insured" means any person or organization qualifying as such under PUBLIC OFFICIALS—WHO IS AN INSURED.

SECTION I—COVERAGES

1. **INSURING AGREEMENT**

We will pay on behalf of the insured all "loss" resulting from "public officials wrongful act(s)" but only with respect to "claims" first made against the insured during the "policy period" or Extended Reporting Period. The "public officials wrongful acts" must occur during the "policy period" and within the "coverage territory." There is no coverage for "public officials wrongful act(s)" which occur during the Extended Reporting Period.

2. **DEFENSE AND SUPPLEMENTARY PAYMENTS**

We will have the right and duty to defend any "suit" against the insured even if any of the allegations of the "suit" are groundless, false or fraudulent. We may make such investigation of any "claim" or "suit" as we deem expedient. We will not be obligated to pay any "claim" or judgment or to defend any "suit" after the applicable limit of our liability has been exhausted by payment of judgments or settlements.

The insured, except at its own cost and for its own account, will not, without our written consent, make any payment, admit any liability, settle any "claim," assume any obligation, or incur any expense.

We will have the right, but no duty, to appeal any judgment.

We will pay, in addition to the applicable Limit of Liability:

a. All expenses incurred by us, and all interest on the entire amount of any judgment therein, which does not exceed the limit of our liability;

b. All reasonable expenses incurred by the insured at our request to assist in the investigation or defense of a "claim" or "suit." Expenses, as used here, do not include salaries of your officers or employees, except for actual loss of earnings, up to $100 a day, because of time off from work;

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

d. Premium on appeal bonds required in any "suit" defended by us and the cost of attachment or similar bonds.

SECTION II—EXCLUSIONS

We will not be obligated to make any payment nor to defend any "suit" in connection with any "claim" made against the insured:

1. Based upon or attributable to any insured gaining profit, advantage or remuneration to which the insured is not entitled;

2. For any damage arising from "bodily injury," sickness, emotional distress, mental anguish, disease or death of any person, or for damage to or destruction of any property, including diminution of value or loss of use thereof;

3. "Law Enforcement Activities"

"Bodily injury", "property damage" or "personal and advertising injury":

a. Arising out of any aspect of "law enforcement activities" or operations, including but not limited to, the operation, licensure, maintenance of or use of jails, jail premises, adult or juvenile detention or holding facilities;

b. Arising out of any act or omission connected in any way, either directly or indirectly, to the supervision, management or oversight of "law enforcement activities", police departments, law enforcement agencies, law enforcement agents or "employees", members of

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commissions, boards, vendors or their "employees", volunteers, including "volunteer workers", units operating under a mutual aid agreement or under the jurisdiction of the insured; or anyone or any entity performing "law enforcement activities" ; or

c. Arising from any decisions or actions in connection with funding or failure to fund for "law enforcement activities".

4. As a result of a strike, riot, civil commotion, or mob action;

5. Arising out of:

   a. any "public officials wrongful act" which takes place prior to the "policy period" if the insured had knowledge of circumstances which could reasonably be expected to give rise to a "claim"; or

   b. any "loss" for which the insured is entitled to indemnity or payment by reason of having given notice of any circumstances which might give rise to a "claim" under any policy or policies the term of which has expired prior to the inception date of this policy;

   c. any claim arising out of pending or prior litigation or hearing, as well as future "claims" arising out of any pending or prior litigation or hearing. If this policy is a renewal of a policy issued by the Company, this exclusion shall only apply with respect to "claims" arising out of any pending or prior litigation or hearing, prior to the effective date of the first policy issued and continuously renewed by the Company.

6. For "claim(s)," demands, or actions seeking relief or redress in any form other than monetary damages, or for any fees, costs or expenses which the insured may become obligated to pay as a result of any adverse judgment for declaratory relief or injunctive relief; however, we will afford defense to the insured for such actions, "claim(s)," "suit(s)" or demands in which monetary damages are requested if not otherwise excluded;

7. For "claim(s)" arising from:

   a. procurement of goods or services;

   b. construction contracts;

   c. architectural or engineering contracts;

   d. the process of bidding or awarding contracts; or

   e. liability assumed by the insured under any contract or agreement, unless the insured would have been legally liable in the absence of such contract or agreement;

8. Based upon or attributable to any failure or omission of the insured to effect or maintain insurance of any kind;

9. Employment Related Practices

   For "claims", demands or actions seeking relief or redress in any form by:

   A. Any person, or any class of persons, arising out of any:

      (1) Type of employment-related practices, policies, acts or omissions, including but not limited to, coercion, demotion, evaluation, reassignment, malicious prosecution, discipline, libel, slander, invasion of privacy, defamation, "harassment", humiliation, or "discrimination" involving or directed at any person; including any verbal, physical, mental or emotional abuse resulting from or arising out of such employment-related practices, policies, acts or omissions;

      (2) Failure or refusal to employ, train, or promote that person;

      (3) Dismissal, discharge or termination of that person's employment or membership, whether actual or constructive;

      (4) Retaliatory action against volunteers or "volunteer workers", or "employees", for the exercise, or not exercising, any legally protected right, or for engaging in any legally protected activity, including but not limited to, actions of:

         (A) Performing or declining to perform an unethical or illegal act;

         (B) Filing a complaint or bringing "suit" against you or anyone else;

         (C) Testifying against any insured at a legal proceeding;

         (D) Notifying a proper authority of any aspect of your operation that is illegal;

      (5) Violation of any Federal, state or local law (common law or statutory) concerning employment or any employment-related practice, policy or procedure described in (1) above, or if insurance is prohibited by law; or

   B. The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in paragraphs (1), (2), (3), (4) or (5) above is directed:

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C. Any person or any class of person arising out of any "discrimination" or "harassment" directly or indirectly related to:

(1) The past employment, employment or prospective employment by any insured;

(2) Any fines, penalties, specific performance, or injunctions levied or imposed by a governmental entity, governmental code, law or statute because of "discrimination" or "harassment".

This Employment Related Practices exclusion applies:

(1) Whether the injury-causing event described in Paragraphs a. (1), (2), (3), (4) or (5) above occurs before 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.

10. For any damages arising out of the providing of, or failure to provide, professional services to anyone other than the Named Insured by any member of the medical profession, or by any lawyer, architect, engineer or accountant;

11. By the Named Insured or on its behalf.

12. Aircraft, Auto or Watercraft

For claims 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 "loss" or "claim" against any insured allege negligence in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury", "property damage" or "personal injury" 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.

13. Any "loss" or "claim(s)" arising during the policy period for damages resulting directly or indirectly from your failure to remedy dangerous circumstances or conditions known to you prior to the policy period.

14. For libel, slander, defamation, invasion of privacy, wrongful eviction, assault, battery, malicious prosecution or abuse of process;

SECTION III—PUBLIC OFFICIALS—WHO IS AN INSURED

Each of the following is an Insured:

1. You;

2. All persons who were, now are, or will be your lawfully elected, appointed or employed officials;

3. Members of commissions, boards or other units operated by you and under your jurisdiction and within apportionment of the total operating budget indicated in the application form, provided that the insurance afforded will not extend to any of the following boards, commissions or units: airports, transit authorities, hospitals, municipally owned gas companies, housing authorities or port authorities;

4. All your employees and all persons who perform service on a volunteer basis for you and under your direction and control;

5. Any persons providing services to you under any mutual aid or similar agreement; and

6. The estates, heirs, legal representative or assigns of deceased persons who were insureds at the time of a "public officials wrongful act(s)" but only to the extent that they would otherwise be provided coverage under this Coverage Form.

However none of the following are insureds under this Coverage Form:

1. Any insured, including you, with respect to the operation of boards, commissions or other units, the members of which are not afforded coverage under 3. above; and

2. All persons or entities who are on retainer, are a consultant or are under contract for services, for any insured.

SECTION IV—LIMITS OF LIABILITY

Regardless of the number of insureds under this Coverage Form, persons or organizations who sustain damages payable under this Coverage Form, and/or "suit(s)" brought under this Coverage Form, our liability is limited as follows:

1. The Limit of Liability stated on the Declarations as applicable to each "public officials wrongful act" is the limit of our liability for all "loss" arising out of one "public officials wrongful act" covered by this Coverage Form.

2. The Limit of Liability stated on the Declarations as applicable to the Annual Aggregate is subject to the above provision respecting each "public officials wrongful act" and is

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the maximum limit of our liability for each "policy period." In no event will our total Limit of Liability be increased for any Extended Reporting Period.

3. Subject to the Limits of Liability stated above, we will only be liable to pay for damages in excess of the "deductible" shown on the Declarations for each and every "public officials wrongful act." In the event we expend funds either for damages or "loss adjustment expense" on behalf of the insured, we will be reimbursed for such expenditures up to the amount of the "deductible" shown on the Declarations. Upon written demand by us, the amount of such "deductible" will be payable to us within thirty (30) days.

4. "Claims" based on or arising out of the same act or interrelated acts of one or more insured(s) will be considered to be based on a single "public officials wrongful act" and only one each "public officials wrongful act" Limit of Liability and only one "deductible" will be applicable to such single "public officials wrongful act."

SECTION V—CONDITIONS

1. **Settlement.**

   We will not settle any "suit" without the insured's consent. If, however, the insured refuses to consent to any settlement, and shall elect to contest the "claim" or continue any legal proceedings in connection with such "claim," our liability for the "claim" shall not exceed the amount for which the "claim" could have been so settled, plus "loss adjustment expense" incurred up to the date of such refusal.

2. **Insured's Duties In The Event Of A "Claim" Or "Suit."**

   a. In the event of a "claim," written notice containing particulars sufficient to identify the insured and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and of available witnesses, will be given by or for the insured to us or any of our authorized agents as soon as practicable;

   b. If a "claim" is made or a "suit" is brought against the insured, the insured will as soon as practicable forward to us every demand, notice, summons or other process received by them or their representative;

   c. The insured will cooperate with us and, at our request, consent to being examined and questioned by a representative of ours, under oath if necessary, attend hearings, depositions and trials and will assist in effecting settlement, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of "suit(s)," as well as in the giving of written statement or statements to our representatives and defense. In the event of a "claim" occurring likely to involve us hereunder, the insured will not make any payment, assume any liability or incur any expense without our consent first being obtained. We will have full discretion in the handling of any "claim," and the insured will give full information and assistance as we may reasonably require.

3. **Awareness Provision.**

   a. If, during the "policy period" or the Extended Reporting Period, the insured receives oral notice from any party that it is the intention of such party to hold the insured responsible for any "public officials wrongful act(s)," the insured will give written notice to us of the receipt of such oral notice, during the "policy period" or Extended Reporting Period. . Any "claim(s)" made against the insured arising out of such "public officials wrongful act(s)" will, for the purpose of this Coverage Form, be treated as a "claim" made during the "policy period" in which such notice was given, or, if given during the Extended Reporting Period, as a "claim" made during the last "policy period";

   b. For the purpose of the above clause, notice to the designee named on the Declarations will constitute notice to the insured;

   c. In the event of any "claim" occurring hereunder, notice to us will be given to the person or firm(s) shown on the Declarations. Notice will be deemed to be received if sent by prepaid mail, properly addressed.

SECTION VI—DEFINITIONS

Whenever used in this Coverage Form, the following words have these meanings:

1. "Claim" means a written notice from any party that it is their intention to hold an insured responsible for "loss" resulting from a "public officials wrongful act" covered by this Coverage Form.

2. "Deductible" means the amount shown in on the Declarations that the insured must contribute to "loss" and "loss adjustment expense."

3. "Loss" means any monetary amount which the insured is legally obligated to pay as a result of "public officials wrongful act" covered by this Coverage Form and will in-

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clude, but not be limited to, judgments and settlements, but "loss" will not include fines imposed by law, or matters which may be deemed uninsurable under the law pursuant to which this Coverage Form will be construed.

4. "Loss adjustment expense" means all expenditures including, but not limited to, costs of investigations, experts, adjustment services, legal services and court costs incurred by us as a result of coverage afforded by this Coverage Form. "Loss Adjustment Expense" will not include salaries of our employees.

5. "Public officials wrongful act" means:

   Any actual or alleged:

   a. error or omission, neglect or breach of duty by the insured;

   b. violation of civil rights protected under 42 USC 1981 et sequential; or

   c. violation of any state civil rights law;

   which arises out of the discharge of duties for you, individually or collectively.

6. "Suit" means a civil proceeding in which monetary damages are alleged because of a "public officials wrongful act" to which this Coverage Form applies. "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.

SECTION VII—EXTENDED REPORTING PERIOD—BASIC AND OPTIONAL SUPPLEMENTAL

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1. An Extended Reporting Period, described below, will be provided if this Coverage Form is canceled or nonrenewed by us, except for nonpayment of premium, or if we renew or replace coverage with insurance that:

   a. has a retroactive date; or

   b. provides coverage on other than a Claims-Made basis.

2. A Basic Extended Reporting Period is automatically provided without additional charge. This period begins at the end of the "policy period" and lasts for sixty (60) days. The Basic Extended Reporting Period does not apply to "claim(s)" covered under any subsequent policy.

3. Coverage for an optional Supplemental Extended Reporting Period must be added by endorsement and an additional premium charge must be paid. Such period starts sixty (60) days after the end of the "policy period."

4. You will have a one-time option to elect the period of time for which the Supplemental Extended Reporting Period will apply, which in no event will exceed thirty-six (36) months. The available one-time options and the additional premium charge for each option are listed below:

   a. Twelve (12) month option—70% of the Annualized Coverage Form Premium;

   b. Twenty-four (24) month option—120% of the Annualized Coverage Form Premium;

   c. Thirty-six (36) month option—150% of the Annualized Coverage Form Premium.

   Once in effect, the Supplemental Extended Reporting Period may not be canceled and the applicable premium is fully earned.

5. This right to purchase the Supplemental Extended Reporting Period will terminate unless written notice is given to us no later than sixty (60) days after the effective date of cancellation or nonrenewal of this Coverage Form. Payment in full of the Supplemental Extended Reporting Period premium and any outstanding premiums or recoveries owed to us will be made concurrently with such written notice for such Supplemental Extended Reporting Period to become effective.

6. The Extended Reporting Period does not extend the "policy period" or change the scope of coverage provided. Subject to this Coverage Form's terms, Limits of Liability, exclusions and conditions, this Coverage Form is extended to apply to "claim(s)" first made against the insured during the Basic Extended Reporting Period, or, if purchased, the Supplemental Extended Reporting Period, but only to "claim(s)" due to "public officials wrongful act(s)" committed prior to the end of the "policy period."

7. The Extended Reporting Period does not reinstate or increase this Coverage Form's Limits of Liability. "Claim(s)" which are first received and recorded during the Basic Extended Reporting Period or the Supplemental Extended Reporting Period, if it is in effect, will be deemed to have been made on the last day of the "policy period."

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EMPLOYMENT PRACTICES LIABILITY COVERAGE FORM
CLAIMS-MADE COVERAGE

Employment Practices Liability coverage applies only if limits are shown in **Item 13.** of the Declarations.

Within this Coverage Form, the word "insured" means any person or organization qualifying as such under EMPLOYMENT PRACTICES LIABILITY—WHO IS AN INSURED.

SECTION I—COVERAGES

1. **INSURING AGREEMENT**

   We will pay on behalf of the insured all "loss" resulting from "employment practices wrongful act(s)" but only with respect to "claims" first made against the insured during the "policy period" or Extended Reporting Period. The "employment practices wrongful act(s)" must occur during the "policy period" and within the "coverage territory." There is no coverage for "employment practices wrongful act(s)" which occur during the Extended Reporting Period.

2. **DEFENSE AND SUPPLEMENTARY PAYMENTS**

   We will have the right and duty to defend any "suit" against the insured even if any of the allegations of the "suit" are groundless, false or fraudulent. We may make such investigation of any "claim" or "suit" as we deem expedient. We will not be obligated to pay any "claim" or judgment or to defend any "suit" after the applicable limit of our liability has been exhausted by payment of judgments or settlements.

The insured, except at its own cost and for its own account, will not, without our written consent, make any payment, admit any liability, settle any "claim," assume any obligation, or incur any expense.

We will have the right, but no duty, to appeal any judgment.

We will pay, in addition to the applicable Limit of Liability:

a. All expenses incurred by us, and all interest on the entire amount of any judgment therein, which does not exceed the limit of our liability;

b. All reasonable expenses incurred by the insured at our request to assist in the investigation or defense of a "claim" or "suit." Expenses, as used here, do not include salaries of your officers or employees, except for actual loss of earnings, up to $100 a day, because of time off from work;

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

d. Premium on appeal bonds required in any "suit" defended by us and the cost of attachment or similar bonds.

SECTION II—EXCLUSIONS

We will not be obligated to make any payment nor to defend any "suit" in connection with any "claim" made against the insured:

1. Based upon or attributable to any insured gaining profit, advantage or remuneration to which the insured is not entitled;

2. For any damage arising from "bodily injury," sickness, disease or death of any person, or for damage to or destruction of any property, including diminution of value or loss of use thereof; however, for the purpose of this exclusion, "bodily injury" does not include emotional distress or mental anguish;

3. For assault and battery; except for reasonable force used to protect persons or property.

4. Alleging any violation of civil rights other than employment related civil rights;

5. Arising out of:

   a. any "employment practices wrongful act(s)" which takes place prior to the "policy period" if the insured had knowledge of circumstances which could reasonably be expected to give rise to a "claim"; or

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b. any "loss" for which the insured is entitled to indemnity or payment by reason of having given notice of any circumstances which might give rise to a "claim" under any policy or policies the term of which has expired prior to the inception date of this policy;

c. any claim arising out of pending or prior litigation or hearing, as well as future "claims" arising out of any pending or prior litigation or hearing. If this policy is a renewal of a policy issued by the Company, this exclusion shall only apply with respect to "claims" arising out of any pending or prior litigation or hearing, prior to the effective date of the first policy issued and continuously renewed by the Company.

6. Based upon or arising out of:

a. any activity for which the insured is acting in a fiduciary capacity; or

b. any activity concerning an "employee benefit plan", welfare plan or retirement plan, or self insurance fund, including any obligation under the Employee Retirement Income Security Act, or COBRA, and any subsequent amendments thereto or any similar local, state or federal law or regulation.

c. any liability assumed by the insured under any contract or agreement, unless the insured would have been legally liable in the absence of such contract or agreement;

7. For "claim(s)," demands, or actions seeking relief or redress in any form other than monetary damages, or for any fees, costs or expenses which the insured may become obligated to pay as a result of any adverse judgment for declaratory relief or injunctive relief; however:

a. We will afford defense to the insured for such actions, "claim(s)," "suit(s)" or demands in which monetary damages are requested if not otherwise excluded; and

b. We will indemnify the insured for reasonable costs and fees incurred in the defense of "suit(s)" seeking relief or redress in any form other than monetary damages by reason of an "employment practices wrongful act" which is otherwise covered by this policy, in accordance with the following additional provisions:

(1) The insured must report each circumstance which could reasonably be expected to give rise to a "suit" to us during the "policy period" or within the Basic Extended Reporting Period;

(2) We will have no duty to investigate or defend any such "suit(s)," but we will have the right, at our option and expense, to investigate or take over the defense of any such "suit(s)";

(3) We will only be liable to pay for reasonable costs and fees in excess of the "deductible" amount shown in Item 14. of the Declarations. We will have no obligation to pay any salary expense of the insured;

(4) The limit of our liability for all such cost and fees will not exceed $10,000 for each "suit" arising out of an "employment practices wrongful act," not to exceed $50,000 for each "policy period";

(5) "Claim(s)" based on or arising out of the same act or interrelated acts of one or more insured(s) will be considered to be based on a single "employment practices wrongful act"; and

(6) The Limit of Liability applicable to this provision is in addition to the Limits of Liability otherwise stated in the coverage form;

8. By the Named Insured or on its behalf;

9. For back wages, overtime or similar "claim(s)," even if designated as liquidated damages, under any federal, state or local statutes, rules, ordinances or regulations, if such "claim(s)" arise out of a "employment practices wrongful act" committed prior to the effective date of this policy; or for "claim(s)" arising from collective bargaining agreements;

10. Aircraft, Auto or Watercraft

For claims 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 "loss" or "claim" against any insured allege negligence in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury", "property damage" or "personal injury" 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.

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SECTION III—EMPLOYMENT PRACTICES LIABILITY—WHO IS AN INSURED

Each of the following is an Insured:

1. You;
2. All persons who were, now are, or will be your lawfully elected, appointed or employed officials;
3. Members of commissions, boards or other units operated by and under your jurisdiction and within apportionment of the total operating budget indicated in the application form, provided that the insurance afforded will not extend to any of the following boards, commissions or units: airports, transit authorities, hospitals, municipally owned gas companies, housing authorities or port authorities;
4. All employees and all persons who perform service on a volunteer basis for you and under your direction and control; and
5. The estates, heirs, legal representative or assigns of deceased persons who were insureds at the time of an "employment practices wrongful act(s)" but only to the extent that they would otherwise be provided coverage under this Coverage Form.

However none of the following are insured(s) under this Coverage Form:

1. Any insured, including you, with respect to the operation of boards, commissions or other units, the members of which are not afforded coverage under 3. above; and
2. All persons or entities who are on retainer, are a consultant or are under contract for services, for any insured.

SECTION IV—LIMITS OF LIABILITY

Regardless of the number of insured(s) under this Coverage Form, persons or organizations who sustain damages payable under this Coverage Form, and/or "suit(s)" brought under this Coverage Form, our liability is limited as follows:

1. The Limit of Liability stated on the Declarations as applicable to each "employment practices wrongful act" is the limit of our liability for all "loss" arising out of one "employment practices wrongful act" covered by this Coverage Form.
2. The Limit of Liability stated on the Declarations as applicable to the Annual Aggregate is subject to the above provision respecting each "employment practices wrongful act" and is the maximum limit of our liability for each "policy period." In no event will our total Limit of Liability be increased for any Extended Reporting Period.
3. Subject to the Limits of Liability stated above, we will only be liable to pay for damages in excess of the "deductible" shown on the Declarations for each and every "employment practices wrongful act." In the event we expend funds either for damages or "loss adjustment expense" on behalf of the insured, we will be reimbursed for such expenditures up to the amount of the "deductible" shown on the Declarations. Upon written demand by us, the amount of such "deductible" will be payable to us within thirty (30) days.
4. "Claims" based on or arising out of the same act or interrelated acts of one or more insured(s) will be considered to be based on a single "employment practices wrongful act" and only one each "employment practices wrongful act" Limit of Liability and only one "deductible" will be applicable to such single "employment practices wrongful act."
5. Subject to the Limits of Liability stated above, we will only be liable to pay $10,000 for damages in excess of $5,000 for back wages, overtime, or similar "claims" arising out of each "employment practices wrongful act," even if designated as liquidated damages under any federal, state or local statutes, rules, ordinances or regulations. This limit is part of, and not in addition to, the limits shown in Item 13. of the Declarations. Any payments made hereunder will be included in the Annual Aggregate limit of liability stated on the Declarations.
6. Workplace Violence Counseling

   We will reimburse you up to $5,000 in any one "policy period" for expenses you incur for the counseling of "employees" of the Named Insured when that counseling is necessary due to an incident of "Workplace Violence." The "deductible" does not apply to this coverage.

   "Workplace Violence" as applicable to this extension means the intentional use of, or threat to use, deadly force by any person with the intent to cause harm; and that results in "bodily injury" or death of a person while on that Named Insured's described premises.

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SECTION V—CONDITIONS

1. **Settlement.**

   We will not settle any "suit" without the insured's consent. If, however, the insured refuses to consent to any settlement, and shall elect to contest the "claim" or continue any legal proceedings in connection with such "claim," our liability for the "claim" shall not exceed the amount for which the "claim" could have been so settled, plus "loss adjustment expense" incurred up to the date of such refusal.

2. **Insured's Duties In The Event Of A "Claim" Or "Suit."**

   a. In the event of a "claim," written notice containing particulars sufficient to identify the insured and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and of available witnesses, will be given by or for the insured to us or any of our authorized agents as soon as practicable;

   b. If a "claim" is made or a "suit" is brought against the insured, the insured will as soon as practicable forward to us every demand, notice, summons or other process received by them or their representative;

   c. The insured will cooperate with us and, at our request, consent to being examined and questioned by a representative of ours, under oath if necessary, attend hearings, depositions and trials and will assist in effecting settlement, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of "suit(s)," as well as in the giving of written statement or statements to our representatives and defense. In the event of a "claim" occurring likely to involve us hereunder, the insured will not make any payment, assume any liability or incur any expense without our consent first being obtained. We will have full discretion in the handling of any "claim," and the insured will give full information and assistance as we may reasonably require.

3. **Awareness Provision.**

   a. If, during the "policy period" or the Extended Reporting Period, the insured receives oral notice from any party that it is the intention of such party to hold the insured responsible for any "public officials wrongful act(s)," the insured will give written notice to us of the receipt of such oral notice, during the "policy period" or Extended Reporting Period. . Any "claim(s)" made against the insured arising out of such "public officials wrongful act(s)" will, for the purpose of this Coverage Form, be treated as a "claim" made during the "policy period" in which such notice was given, or, if given during the Extended Reporting Period, as a "claim" made during the last "policy period";

   b. For the purpose of the above clause, notice to the designee named on the Declarations will constitute notice to the insured;

   c. In the event of any "claim" occurring hereunder, notice to us will be given to the person or firm(s) shown under Item 16. of the Declarations. Notice will be deemed to be received if sent by prepaid mail, properly addressed.

SECTION VI—DEFINITIONS

Whenever used in this Coverage Form, the following words have these meanings:

1. "Claim" means:

   a. A written notice from any party that it is their intention to hold the insured responsible for "loss" resulting from an "employment practices wrongful act" covered by this Coverage Form; and

   b. Any notice that requires you to attend an administrative hearing conducted by the EEOC or by any state agency with a similar purpose.

2. "Deductible" means the amount shown on the Declarations that the insured must contribute to "loss" and "loss adjustment expense."

3. "Employee benefit plans" means a formal program or programs of "employee" benefits maintained in connection with your operations, such as but not limited to Group Life Insurance, Group Accident or Health Insurance, Pension Plans, Savings Plans, Employee Stock Plans, Paid Time Off or Vacation Plans, provided that no one other than an "employee" may subscribe to such insurance or plans. This term also includes workers' compensation and unemployment insurance, social security benefits, workers' compensation and disability benefits or other statutorily required plans.

4. "Employment practices wrongful act(s)" means:

   Any actual or alleged:

   a. Refusal to employ;

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b. Termination of employment; or

c. False arrest, false imprisonment, libel, slander, defamation, harassment, humiliation, discrimination, invasion of privacy, wrongful eviction, malicious prosecution, abuse of process, or any other act, omission or policy;

based upon or attributable to anyone's employment or application for employment by you;

5. "Loss" means any monetary amount which the insured(s) is legally obligated to pay as a result of "employment practices wrongful act(s)" covered by this Coverage Form and will include, but not be limited to, judgments and settlements, but "loss" will not include fines imposed by law, or matters which may be deemed uninsurable under the law pursuant to which this Coverage Form will be construed.

6. "Loss adjustment expense" means all expenditures including, but not limited to, costs of investigations, experts, adjustment services, legal services and court costs incurred by us as a result of coverage afforded by this Coverage Form. "Loss adjustment expense" will not include salaries of our employees.

7. "Suit" means a civil proceeding in which monetary damages are alleged because of an "employment practices wrongful act" to which this Coverage Form applies. "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.

SECTION VII—EXTENDED REPORTING PERIOD—BASIC AND OPTIONAL SUPPLEMENTAL

1. An Extended Reporting Period, described below, will be provided if this Coverage Form is canceled or non-renewed by us, except for nonpayment of premium, or if we renew or replace coverage with insurance that:

   a. has a retroactive date; or

   b. provides coverage on other than a Claims-Made basis.

2. A Basic Extended Reporting Period is automatically provided without additional charge. This period begins at the end of the "policy period" and lasts for sixty (60) days. The Basic Extended Reporting Period does not apply to "claim(s)," covered under any subsequent policy.

3. Coverage for an optional Supplemental Extended Reporting Period must be added by endorsement and an additional premium charge must be paid. Such period starts sixty (60) days after the end of the "policy period."

4. You will have a one-time option to elect the period of time for which the Supplemental Extended Reporting Period will apply, which in no event will exceed thirty-six (36) months. The available one-time options and the additional premium charge for each option are listed below:

   a. Twelve (12) month option—70% of the Annualized Coverage Form Premium;

   b. Twenty-four (24) month option—120% of the Annualized Coverage Form Premium;

   c. Thirty-six (36) month option—150% of the Annualized Coverage Form Premium.

   Once in effect, the Supplemental Extended Reporting Period may not be canceled and the applicable premium is fully earned.

5. This right to purchase the Supplemental Extended Reporting Period will terminate unless written notice is given to us no later than sixty (60) days after the effective date of cancellation or nonrenewal of this Coverage Form. Payment in full of the Supplemental Extended Reporting Period premium and any outstanding premiums or recoveries owed to us will be made concurrently with such written notice for such Supplemental Extended Reporting Period to become effective.

6. The Extended Reporting Period does not extend the "policy period" or change the scope of coverage provided. Subject to this Coverage Form's terms, Limits of Liability, exclusions and conditions, this Coverage Form is extended to apply to "claim(s)" first made against the insured during the Basic Extended Reporting Period, or, if purchased, the Supplemental Extended Reporting Period, but only to "claim(s)," due to "employment practices wrongful act(s)" committed prior to the end of the "policy period."

7. The Extended Reporting Period does not reinstate or increase this Coverage Form's Limits of Liability. "Claim(s)," which are first received and recorded during the Basic Extended Reporting Period" or the Supplemental Extended Reporting Period, if it is in effect, will be deemed to have been made on the last day of the "policy period."

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