SOCIETY INSURANCE, A MUTUAL COMPANY

150 Camelot Drive P.O. Box 1029, Fond du Lac, WI 54936-1029

BUSINESSOWNERS LIABILITY

RENEWAL DECLARATION

POLICY NO: ROP 451854-13

RENEWAL OF: ROP 451854-12

ACCOUNT NUMBER: 20052 000

NAMED INSURED AND MAILING ADDRESS

Kedzie Boulevard Cafe Inc
DBA Scofflaw
3201 W Armitage Ave
Chicago, IL 60647-3772

AGENCY AND MAILING ADDRESS

Guy Viti Insurance Agency Inc
445 Sheridan Rd
Highwood, IL 60040

LOCATION OF ALL PREMISES YOU OWN, RENT OR OCCUPY:

3 3200 W Armitage Ave, Chicago, IL 60647
4 3204 W Armitage Ave, Chicago, IL 60647

LOC	CLASSIFICATION	CODE	PREMIUM BASIS	EXPOSURE	PMS RATE	PDTS RATE	OTHER RATE	PD DED APPLIES
2	Buildings or Premises - office - Not Otherwise Classified (For-Profit)	61226	Square Feet	1,000	161.04	0		

BUSINESSOWNERS LIABILITY PREMIUM	$	161

PREMIUM	$	161

FORMS AND ENDORSEMENTS
APPLYING TO THIS COVERAGE PART AND MADE PART OF THIS POLICY AT TIME OF ISSUE:
See Forms Schedule

NOTE: IF NO ENTRY APPEARS ON THE ABOVE ENDORSEMENTS, INFORMATION REQUIRED TO COMPLETE THE FORM WILL BE SHOWN ON THE SUPPLEMENTAL FORM DECLARATION IMMEDIATELY FOLLOWING THE APPLICABLE ENDORSEMENT.

SOCIETY INSURANCE, A MUTUAL COMPANY

150 Camelot Drive P.O. Box 1029, Fond du Lac, WI 54936-1029

BUSINESSOWNERS

GENERAL CHANGE ENDORSEMENT

POLICY NO: ROP 451854-13

RENEWAL OF ROP 451854-12

ACCOUNT NUMBER:

NAMED INSURED AND MAILING ADDRESS

Kedzie Boulevard Cafe Inc
DBA Scofflaw
3201 W Armitage Ave
Chicago, IL 60647-3772

AGENCY AND MAILING ADDRESS 20052 000

Guy Viti Insurance Agency Inc
445 Sheridan Rd
Highwood, IL 60040

POLICY PERIOD: FROM 05/20/2019 TO 05/20/2020 AT 12:01 AM STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE.

EFFECTIVE 05/20/2019 THIS POLICY AMENDED AS SHOWN

DESCRIBED PREMISES

Prem. No.	Bldg. No.	Premises Address:	Description	Construction Type	Protection Class
1	1	3201-03 W Armitage, Chicago, IL 60647	Tavern/Restaurant	Joisted Masonry	2
2	1	1946 N Kedzie, Chicago, IL 60647	Office	Joisted Masonry	1

SECTION I – PROPERTY

Property Coverage Limits Of Insurance**

Prem. No.	Bldg. No.	Classification No.	Type Of Property	Valuation Option	Automatic Increase Limit (Percentage)	Business Personal Property – Seasonal Increase (Percentage)	Limit Of Insurance*
2	1	1	Business Personal Property-Offices NOC - Office	Replacement Cost	4%	25%	$ 7,000

*Includes Automatic Increase Limit Percentage(if applicable)
**Business Income actual loss sustained for 12 months included subject to policy provisions.

Deductibles (Apply Per Location, Per Occurrence)

Prem. No.	Property Deductible	Windstorm Or Hail Percentage Deductible
(Location 1, Building 1)	$ 5,000	N/A %

SOCIETY INSURANCE, A MUTUAL COMPANY

150 Camelot Drive P.O. Box 1029, Fond du Lac, WI 54936-1029

BUSINESSOWNERS

RENEWAL DECLARATION

POLICY NO: ROP 451854-13
INSURED: Kedzie Boulevard Cafe Inc

EFFECTIVE DATE: 05/20/2019
AGENT: Guy Viti Insurance Agency Inc

(Location 2, Building 1)	$ 5,000	N/A %

Equipment Breakdown Protection Coverage Deductibles		
Prem. No.	Bldg. No.	Deductible
2	1	$ 5,000

Additional Coverages – Optional Higher Limits/Extended Number Of Days (Per Policy)			
Coverage	Additional Premium	Limit Of Insurance/Extended Number Of Days	Deductible

SECTION II – LIABILITY AND MEDICAL EXPENSES

Each paid claim for the following coverages reduces the amount of insurance we provide during the applicable annual period. Please refer to the Businessowners Liability Coverage Form and any attached endorsements.

Coverage	Limit Of Insurance	
Liability And Medical Expenses	$	**Per Occurrence**
Medical Expenses	$	**Per Person**

SOCIETY INSURANCE, A MUTUAL COMPANY

150 Camelot Drive P.O. Box 1029, Fond du Lac, WI 54936-1029

BUSINESSOWNERS

RENEWAL DECLARATION

POLICY NO: ROP 451854-13
INSURED: Kedzie Boulevard Cafe Inc

EFFECTIVE DATE: 05/20/2019
AGENT: Guy Viti Insurance Agency Inc

Coverage	Limit Of Insurance
Damage To Premises Rented To You	$ 100,000 **Any One Premises**
Other Than Products/Completed Operations Aggregate	$ 2,000,000
Products/Completed Operations Aggregate	$ 2,000,000

TOTAL BUSINESSOWNERS POLICY PREMIUM	$ 25

TOTAL PREMIUM	$ 25.00

FORMS AND ENDORSEMENTS
APPLYING TO THIS COVERAGE PART AND MADE PART OF THIS POLICY AT TIME OF ISSUE:
See Forms Schedule
NOTE: IF NO ENTRY APPEARS ON THE ABOVE ENDORSEMENTS, INFORMATION REQUIRED TO COMPLETE THE FORM WILL BE SHOWN ON THE SUPPLEMENTAL FORM DECLARATION IMMEDIATELY FOLLOWING THE APPLICABLE ENDORSEMENT.

SOCIETY INSURANCE, A MUTUAL COMPANY

150 Camelot Drive P.O. Box 1029, Fond du Lac, WI 54936-1029

BUSINESSOWNERS PACKAGE POLICY

PREMIUM SUMMARY

TOTAL BUSINESSOWNERS PREMIUM	$	25
TOTAL BUSINESSOWNERS LIABILITY PREMIUM	$	-709
TOTAL SURCHARGE	$	0
TOTAL BUSINESSOWNERS PACKAGE POLICY PREMIUM	$	-684

THESE DECLARATIONS AND THE COMMON POLICY DECLARATIONS, IF APPLICABLE, TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE FORM(S) AND ENDORSEMENTS, AND SUPPLEMENTAL FORM DECLARATION(S), IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY

SOCIETY INSURANCE, A MUTUAL COMPANY

150 Camelot Drive P.O. Box 1029, Fond du Lac, WI 54936-1029

FORMS SCHEDULE

POLICY NO: ROP 451854-13

RENEWAL OF ROP 451854-12

ACCOUNT NUMBER: 20052 000

NAMED INSURED AND MAILING ADDRESS

Kedzie Boulevard Cafe Inc
3201 W Armitage Ave
Chicago, IL 60647-3772

AGENCY AND MAILING ADDRESS

Guy Viti Insurance Agency Inc
445 Sheridan Rd
Highwood, IL 60040

POLICY PERIOD: FROM 05/20/2019 TO 05/20/2020 AT 12:01 AM STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE.

NOTE: IF NO ENTRY APPEARS ON THE FOLLOWING ENDORSEMENTS, INFORMATION REQUIRED TO COMPLETE THE FORM WILL BE SHOWN ON THE SUPPLEMENTAL FORM DECLARATION IMMEDIATELY FOLLOWING THE APPLICABLE ENDORSEMENT.

BUSINESSOWNERS POLICY FORMS		
BP1220 01-06	Illinois Policy Changes	Added
TBP453 11-16	Water Backup And Sump Overflow	Modified
TBP12 05-15	Product Spoilage	Modified

POLICY NUMBER: ROP 451854-13

BUSINESSOWNERS
BP 12 20 01 06

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ILLINOIS POLICY CHANGES

This endorsement will not be used to decrease coverages, increase rates or deductibles or alter any terms or conditions of coverage unless at the sole request of the insured.

Effective Date Of Change: 05/20/2019
Change Endorsement No.: 001
Named Insured: Kedzie Boulevard Cafe Inc

The following item(s) is (are) changed to read **{See Additional Page(s)}:**

☐	Insured's Name	☐	Insured's Mailing Address
☐	Policy Number	☐	Company
☐	Effective/Expiration Date	☐	Insured's Legal Status/Business Of Insured
☐	Payment Plan	☐	Premium Determination
☐	Additional Interested Parties	☐	Coverage Forms And Endorsements
☐	Limits/Exposures	☐	Deductibles
☐	Covered Property/Location Description	☐	Classification/Class Codes
☐	Rates	☐	Underlying Insurance

The above amendments result in a change in the premium as follows:

☐	NO CHANGES	☐	TO BE ADJUSTED AT AUDIT	ADDITIONAL PREMIUM	RETURN PREMIUM
				$ 25	$

Authorized Representative Signature:

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REMOVAL PERMIT	If Covered Property is removed to a new location that is described on this Policy Change, you may extend this insurance to include that Covered Property at each location during the removal. Coverage at each location will apply in the proportion that the value at each location bears to the value of all Covered Property being removed. This permit applies up to 10 days after the effective date of this Policy Change; after that, this insurance does not apply at the previous location.

ILLINOIS POLICY CHANGES ENDORSEMENT DESCRIPTION

Loc 3, Tavern/Restaurant, all coverages are deleted.
(3200 W Armitage Ave, Chicago, IL)
Loc 3, Liability Code 16916, is deleted.

Loc 4, Tavern/Restaurant, all coverages are deleted.
(3204 W Armitage Ave, Chicago, IL)
Loc 4, Liability Code 16916, is deleted.

Loc 2, Bldg 1, Business Personal Property is added for $7,000 RC.
(1946 N Kedzie, Chicago, IL)

Loc 2, Liability Code 60010, is deleted.
Loc 2, Liability Code 61226, Buildings or Premises - office - Not Otherwise Classified (For-Profit), is added with a premium basis of 1,000 (a).

Revised premium.

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UNDERTHIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WATER BACK-UP AND SUMP OVERFLOW

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

	Covered Property Annual Aggregate Limit Of Insurance	Business Income And Extra Expense Annual Aggregate Limit Of Insurance
Policy Limit	$ 25,000	$ 25,000

OPTIONAL LOCATION SCHEDULE

Premises Number	Covered Property Limit Per Location	Business Income And Extra Expense Limit Of Insurance Per Location
	$	$
	$	$
	$	$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

A. We will pay for direct physical loss or damage to Covered Property, covered under Businessowners Special Property Coverage Form, caused by or resulting from:

1. Water or waterborne material which backs up through or overflows or is otherwise discharged from an interior sewer or drain; or

2. Water or waterborne material which overflows or is otherwise discharged from a sump, sump pump or related equipment, even if the overflow or discharge results from mechanical breakdown of an interior sump pump or its related equipment.

B. The most we will pay for the coverage provided under this endorsement for all direct physical loss or damage to Covered Property is the Covered Property Annual Aggregate Limit of Insurance shown in the Schedule.

The applicable Covered Property Annual Aggregate Limit of Insurance is the most we will pay under this endorsement for the total of all direct physical loss or damage at all locations sustained in any one policy year, regardless of the number of occurrences that cause or result in loss or damage to Covered Property. If loss payment for the first such occurrence does not exhaust the applicable Limit of Insurance, then the balance of that Limit is available for subsequent loss or damage sustained in, but not after, that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

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

D. The following provisions apply to Businessowners Special Property Coverage Form and supersede any provisions to the contrary:

The most we will pay under:

1. Paragraph **A.5.g**. Business Income Additional Coverage for all loss of Business Income you sustain due to the necessary suspension of your "operations" caused by direct physical loss or damage to Covered Property as described in Paragraph **A**. of this endorsement; and

2. Paragraph **A.5.h.** Extra Expense Additional Coverage for all necessary Extra Expense you incur and that you would not have incurred if there had been no direct physical loss or damage to Covered Property as described in Paragraph **A**. of this endorsement;

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is the Business Income And Extra Expense Annual Aggregate Limit of Insurance shown in the Schedule.

The applicable Business Income And Extra Expense Annual Aggregate Limit of Insurance is the most we will pay under this endorsement for the total of all loss of Business Income you sustain and Extra Expense you incur at all locations in any one policy year, regardless of the number of occurrences that cause or result in loss or damage to Covered Property as described in Paragraph **A**. of this endorsement. If loss payment during an earlier "period of restoration" in the policy year does not exhaust the applicable Limit of Insurance, then the balance of that Limit is available for loss of Business Income you sustain or Extra Expense you incur during a subsequent "period of restoration" beginning in, but not after, that policy year. With respect to a "period of restoration" which begins in one policy year and continues in a subsequent policy year(s), all loss of Business Income you sustain or Extra Expense you incur is deemed to be sustained or incurred in the policy year in which the "period of restoration" began.

E. If the optional Location Schedule is completed, the most we will pay for the coverage provided under this endorsement for all direct physical loss or damage to Covered Property is the Limit per Location shown in the Schedule.

F. All exclusions under Businessowners Special Property Coverage Form apply except **B.1.g.(3)**.

G. The following Additional Coverages do not apply to this Water Back-Up and Sump Overflow endorsement:

A.5.a., Debris Removal,

A.5.e., Water Damage, Other Liquids, Powder or Molten Material Damage,

A.5.j., Pollution Clean Up And Removal,

A.5.o., Ordinance Or Law

A.5.m., Contamination

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This endorsement modifies insurance provided under the following:

BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM

PRODUCT SPOILAGE

SCHEDULE

Spoilage

Prem. No.	Bldg. No.	Limit of Insurance	Deductible
1	1	$100,000	$5,000
2	1	$7,000	$5,000

Spoilage in Vehicles

	Limit of Insurance	Deductible
Per Vehicle	$	$

Information required to complete the Schedule, if not shown in this endorsement, will be shown in the Declarations.

I. SPOILAGE

A. Coverage

1. We will pay for your loss of "perishable stock" due to spoilage caused by a Spoilage Covered Cause of Loss, as provided by this endorsement.

2. Subject to all the provisions and conditions under the Businessowners Special Property Coverage Form, we will also pay for loss of Business Income or Extra Expense at the described premises resulting from loss of "perishable stock" due to spoilage caused by a Spoilage Covered Cause of Loss, as provided by this endorsement.

We cover only the location(s) and limits specified in the Declarations or that is indicated on the Schedule.

3. If a limit for Spoilage in Vehicles is shown in the Schedule, Spoilage coverage is extended to cover "perishable stock" in your vehicles which you own or operate and are equipped with refrigerating, cooling or humidity control apparatus.

B. Spoilage Covered Causes of Loss

Subject to the exclusions described in Item **C.** of this section, Spoilage Covered Cause of Loss means the following:

1. Spoilage caused by or resulting from:

a. Change in temperature or humidity resulting from mechanical breakdown or mechanical failure of refrigerating, cooling or humidity control apparatus or equipment, only while such apparatus or equipment is at the described location; or

b. Contamination by a refrigerant, only while the refrigerating apparatus or

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equipment is at the described location; or

c. Power Outage, meaning change in temperature or humidity at the described location resulting from complete or partial interruption of electrical power, either on or off the described premises, due to conditions beyond your control.

2. Spoilage coverage applies to "perishable stock" at the described premises which is:

a. Owned by you and used in your business; or

b. Owned by others and in your care, custody or control except as otherwise provided in Loss Payment Property Loss Condition **E.5.d.(3)(b).**

3. We will also pay any necessary expenses you incur to reduce the amount of loss under this coverage. We will pay for such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.

4. Exclusions **B.1.a**. Ordinance or Law and **B.1.e.** Utility Services do not apply to Spoilage Coverage.

5. Paragraphs **A.6.** Coverage Extensions and G. Optional Coverages do not apply to Spoilage Coverage.

C. Spoilage Exclusions

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

1. The disconnection of any refrigerating, cooling or humidity control system from the source of power.

2. The 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 of an electrical utility company or other power source to provide sufficient power due to:

a. Lack of fuel; or

b. 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 refrigerating, cooling or humidity control unit.

II. LIMITS

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

III. DEDUCTIBLE

We will not pay for loss in any one occurrence until the amount of the adjusted loss exceeds the deductible shown in the Schedule. We will then pay the amount of the adjusted loss in excess of the deductible, up to the applicable Limit of Insurance.

IV. SALVAGE

You will take all necessary precautions to preserve the salvage and reduce the loss.

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THIS POLICY
IS NON-ASSESSABLE

SOCIETY INSURANCE®

Small details. Big difference.™

a mutual company

BUSINESSOWNERS POLICY

www.societyinsurance.com

BP500 (01-15)

THESE POLICY PROVISIONS WITH THE INFORMATION PAGE AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THIS POLICY.

NOTICE

The insured who is named herein is hereby notified that by virtue of this policy is a member of SOCIETY INSURANCE, a mutual company, and is entitled to vote either in person or by proxy at any and all meetings of the company. The annual meetings are held at the home office at Fond du Lac, Wisconsin, on the second Monday of March in each year at 2:00 p.m.

In Witness Whereof, we have caused this policy to be executed and attested.

Secretary
Jim Thomas

President
Rick Parks

SOCIETY INSURANCE, A MUTUAL COMPANY

150 Camelot Drive P.O. Box 1029, Fond du Lac, WI 54936-1029

BUSINESSOWNERS

RENEWAL DECLARATION

POLICY NO: ROP 451854-13

RENEWAL OF ROP 451854-12

ACCOUNT NUMBER:

NAMED INSURED AND MAILING ADDRESS

Kedzie Boulevard Cafe Inc
DBA Scofflaw
3201 W Armitage Ave
Chicago, IL 60647-3772

AGENCY AND MAILING ADDRESS 20052 000

Guy Viti Insurance Agency Inc
445 Sheridan Rd
Highwood, IL 60040

POLICY PERIOD: FROM 05/20/2019 TO 05/20/2020 AT 12:01 AM STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE.

THE NAMED INSURED IS: Corporation

BUSINESS DESCRIPTION: See Described Premises section

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

DESCRIBED PREMISES

Prem. No.	Bldg. No.	Premises Address:	Description	Construction Type	Protection Class
1	1	3201-03 W Armitage, Chicago, IL 60647	Tavern/Restaurant	Joisted Masonry	2

Prem. No.	Bldg. No.	Mortgageholder Name:	Mortgageholder Address:	Remarks:
1	1	Forest Park National Bank & Trust Co	7348 W Madison St, Forest Park, IL 60130	

SECTION I – PROPERTY

Property Coverage Limits Of Insurance**							
Prem. No.	Bldg. No.	Classification No.	Type Of Property	Valuation Option	Automatic Increase Limit (Percentage)	Business Personal Property – Seasonal Increase (Percentage)	Limit Of Insurance*
1	1	1	Business Personal Property-Casual Dining Restaurants - NOC - Full Cooking	Replacement Cost	4%	25%	$ 986,892

*Includes Automatic Increase Limit Percentage(if applicable)
**Business Income actual loss sustained for 12 months included subject to policy provisions.

SOCIETY INSURANCE, A MUTUAL COMPANY

150 Camelot Drive P.O. Box 1029, Fond du Lac, WI 54936-1029

BUSINESSOWNERS

RENEWAL DECLARATION

POLICY NO: ROP 451854-13
INSURED: Kedzie Boulevard Cafe Inc

EFFECTIVE DATE: 05/20/2019
AGENT: Guy Viti Insurance Agency Inc

Deductibles (Apply Per Location, Per Occurrence)		
Prem. No.	Property Deductible	Windstorm Or Hail Percentage Deductible
(Location 1, Building 1)	$ 5,000	N/A %

Equipment Breakdown Protection Coverage Deductibles		
Prem. No.	Bldg. No.	Deductible
1	1	$ 5,000

Additional Coverages – Optional Higher Limits/Extended Number Of Days (Per Policy)			
Coverage	Additional Premium	Limit Of Insurance/Extended Number Of Days	Deductible
Extended Business Income – Extended Number Of Days	$ 0	60	

SECTION II – LIABILITY AND MEDICAL EXPENSES

Each paid claim for the following coverages reduces the amount of insurance we provide during the applicable annual period. Please refer to the Businessowners Liability Coverage Form and any attached endorsements.

Coverage	Limit Of Insurance	
Liability And Medical Expenses	$ 1,000,000	Per Occurrence
Medical Expenses	$ 5,000	Per Person

SOCIETY INSURANCE, A MUTUAL COMPANY

150 Camelot Drive P.O. Box 1029, Fond du Lac, WI 54936-1029

BUSINESSOWNERS

RENEWAL DECLARATION

POLICY NO: ROP 451854-13
INSURED: Kedzie Boulevard Cafe Inc

EFFECTIVE DATE: 05/20/2019
AGENT: Guy Viti Insurance Agency Inc

Coverage	Limit Of Insurance
Damage To Premises Rented To You	$ 100,000 **Any One Premises**
Other Than Products/Completed Operations Aggregate	$ 2,000,000
Products/Completed Operations Aggregate	$ 2,000,000

TOTAL BUSINESSOWNERS POLICY PREMIUM	$ 3,414

TOTAL PREMIUM	$ 3,414.00

FORMS AND ENDORSEMENTS
APPLYING TO THIS COVERAGE PART AND MADE PART OF THIS POLICY AT TIME OF ISSUE:
See Forms Schedule
NOTE: IF NO ENTRY APPEARS ON THE ABOVE ENDORSEMENTS, INFORMATION REQUIRED TO COMPLETE THE FORM WILL BE SHOWN ON THE SUPPLEMENTAL FORM DECLARATION IMMEDIATELY FOLLOWING THE APPLICABLE ENDORSEMENT.

SOCIETY INSURANCE, A MUTUAL COMPANY

150 Camelot Drive P.O. Box 1029, Fond du Lac, WI 54936-1029

BUSINESSOWNERS LIABILITY

RENEWAL DECLARATION

LOCATION OF ALL PREMISES YOU OWN, RENT OR OCCUPY:

1 3201-03 W Armitage, Chicago, IL 60647 3772
2 1946 N Kedzie, Chicago, IL 60647 3751
3 3200 W Armitage Ave, Chicago, IL 60647 3716
4 3204 W Armitage Ave, Chicago, IL 60647 3716

LOC	CLASSIFICATION	CODE	PREMIUM BASIS	EXPOSURE	PMS RATE	PDTS RATE	OTHER RATE	PD DED APPLIES
1	Restaurants - with sales of alcoholic beverages that are 30% or more but less than 75% of the total annual receipts of the restaurants - without dance floor	16916	Square Footage	1,848	2.485	0.179		
1	TopChoice, Liquor Sales Over 25% But Less Than Or Equal To 40%	58161	Gross Sales	1,662,500			5.096	
1	Apartment Buildings	60010	Number of Units	12	69.645	0		
2	Apartment Buildings	60010	Number of Units	1	69.645	0		
3	Restaurants - with sales of alcoholic beverages that are 30% or more but less than 75% of the total annual receipts of the restaurants - without dance floor	16916	Square Footage	1,000	2.485	0.179		
4	Restaurants - with sales of alcoholic beverages that are 30% or more but less than 75% of the total annual receipts of the restaurants - without dance floor	16916	Square Footage	1,000	2.485	0.179		

TOTAL BUSINESSOWNERS LIABILITY PREMIUM	$	10,917

SOCIETY INSURANCE, A MUTUAL COMPANY

BUSINESSOWNERS LIABILITY

RENEWAL DECLARATION

POLICY NO: ROP 451854-13
INSURED: Kedzie Boulevard Cafe Inc

EFFECTIVE DATE: 05/20/2019
AGENT: Guy Viti Insurance Agency Inc

TOTAL PREMIUM	$	10,917

FORMS AND ENDORSEMENTS
APPLYING TO THIS COVERAGE PART AND MADE PART OF THIS POLICY AT TIME OF ISSUE:
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SOCIETY INSURANCE, A MUTUAL COMPANY

150 Camelot Drive P.O. Box 1029, Fond du Lac, WI 54936-1029

BUSINESSOWNERS PACKAGE POLICY

PREMIUM SUMMARY

TOTAL BUSINESSOWNERS PREMIUM	$	3,414
TOTAL BUSINESSOWNERS LIABILITY PREMIUM	$	10,917
TOTAL SURCHARGE	$	0
TOTAL BUSINESSOWNERS PACKAGE POLICY PREMIUM	$	14,331

THESE DECLARATIONS AND THE COMMON POLICY DECLARATIONS, IF APPLICABLE, TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE FORM(S) AND ENDORSEMENTS, AND SUPPLEMENTAL FORM DECLARATION(S), IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY

Society Insurance, a mutual company

BUSINESSOWNERS PACKAGE POLICY

EXTENDED NAME SCHEDULE

POLICY NO: ROP 451854-13

RENEWAL OF ROP 451854-12

ACCOUNT NUMBER:

NAMED INSURED AND MAILING ADDRESS

Kedzie Boulevard Cafe Inc
DBA: Scofflaw
3201 W ARMITAGE AVE
CHICAGO, IL 60647

AGENCY AND MAILING ADDRESS 20052 000

GUY VITI INSURANCE AGENCY INC
445 SHERIDAN RD
HIGHWOOD, IL 60040

8474321000

POLICY PERIOD: FROM 05/20/2019 TO 05/20/2020 AT 12:01 AM STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE.

E X T E N D E D N A M E D I N S U R E D

3201-03 W Armitage Corp

Elsewhere Inc

Milo LLC

SOCIETY INSURANCE, A MUTUAL COMPANY

150 Camelot Drive P.O. Box 1029, Fond du Lac, WI 54936-1029

FORMS SCHEDULE

POLICY NO: ROP 451854-13

RENEWAL OF ROP 451854-12

ACCOUNT NUMBER: 20052 000

NAMED INSURED AND MAILING ADDRESS

Kedzie Boulevard Cafe Inc
3201 W Armitage Ave
Chicago, IL 60647-3772

AGENCY AND MAILING ADDRESS

Guy Viti Insurance Agency Inc
445 Sheridan Rd
Highwood, IL 60040

POLICY PERIOD: FROM 05/20/2019 TO 05/20/2020 AT 12:01 AM STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE.

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BUSINESSOWNERS POLICY FORMS	
BP0154 01-18	Illinois Changes
BP0503 01-06	Illinois Liquor Liability Coverage
BP0643 04-06	Illinois Changes - Defense Costs
BP0695 01-10	Illinois - Employment-Related Practices Liability Endorsement
BP0417 01-10	Employment-Related Practices Exclusion
BP0448 07-13	Additional Insured - Designated Person Or Organization
BP0515 01-15	Disclosure Pursuant To Terrorism Risk Insurance Act
TBP453 11-16	Water Backup And Sump Overflow
TCE310 10-18	TopChoice Extension Endorsement
TBP84 05-15	Property Enhancement Endorsement Green Environmental and Energy Efficiency Improvements
TBP9 10-08	Businessowners Common Policy Conditions
TBP6 05-15	Businessowners Liability Coverage Form
TBP440 08-17	Asbestos - Exclusion
TBP2109 12-15	Exclusion - Unmanned Aircraft
TBP2 05-15	Businessowners Special Property Coverage Form
TBP12 05-15	Product Spoilage
SAI42 09-02	Additional Insured - Designated Premises - Limited
EPL120 10-08	Liability to Non-Employees
BP1505 05-14	Exclusion - Access Or Disclosure Of Confidential Or Personal Information And Data-Related Liability - Limited Bodily Injury Exception Not Included
BP1488 07-13	Primary And Noncontributory - Other Insurance Condition
SAI41 05-15	Additional Insured - Not Otherwise Classified Limited

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ILLINOIS CHANGES

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM
INFORMATION SECURITY PROTECTION ENDORSEMENT

A. The following is added to the Businessowners Coverage Form:

1. If this Policy covers the following in **a.** and **b.,** then Paragraphs **2.** and **3.** apply:

a. Real property used principally for residential purposes up to and including a four family dwelling; or

b. Household or personal property that is usual or incidental to the occupancy of any premises used for residential purposes.

2. The second paragraph of Paragraph **E.2. Appraisal** Property Loss Condition in **Section I – Property** is replaced by the following:

a. Each party will pay its own appraiser and bear the other expenses of the appraisal and umpire equally, except as provided in **b.** below.

b. We will pay your appraiser's fee and the umpire's appraisal fee, if the following conditions exist:

(1) You demanded the appraisal; and

(2) The full amount of loss, as set by your appraiser, is agreed to by our appraiser or by the umpire.

3. Paragraph **C. Concealment, Misrepresentation Or Fraud** in **Section III – Common Policy Conditions** is replaced by the following:

C. Concealment, Misrepresentation Or Fraud

1. This Policy is void if you or any insured commit fraud or conceal or misrepresent a fact in the process leading to the issuance of this insurance, and such fraud, concealment or misrepresentation is stated in the Policy or endorsement or in the written application for this Policy and:

a. Was made with actual intent to deceive; or

b. Materially affected either our decision to provide this insurance or the hazard we assumed.

However, this condition will not serve as a reason to void this Policy after the Policy has been in effect for one year or one policy term, whichever is less.

2. We do not provide coverage under this Policy to you or any other insured who, at any time subsequent to the issuance of this insurance, commit fraud or intentionally conceal or misrepresent a material fact relating to:

a. This Policy;

b. The Covered Property;

c. Your interest in the Covered Property; or

d. A claim under this Policy.

3. Notwithstanding the limitations stated in **C.1.** above, we may cancel this Policy in accordance with the terms of Paragraph **A.** Cancellation in Section **III** – Common Policy Conditions.

B. Section I – Property is amended as follows:

1. Paragraph **B.2.a. Electrical Apparatus** is replaced by the following:

a. Electrical Apparatus

Artificially generated electrical current, including 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.

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

(1) An occurrence that took place within 100 feet of the described premises; or

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

2. The following exclusion is added to Paragraph **B.2. Exclusions:**

a. We will not pay for loss or damage arising out of any act committed:

(1) By or at the direction of any insured; and

(2) With the intent to cause a loss.

b. However, this exclusion will not apply to deny payment to an innocent co-insured who did not cooperate in or contribute to the creation of the loss if:

(1) The loss arose out of a pattern of criminal domestic violence; and

(2) The perpetrator of the loss is criminally prosecuted for the act causing the loss.

c. If we pay a claim pursuant to Paragraph **B.2.b.,** our payment to the insured is limited to that insured's insurable interest in the property less any payments we first made to a mortgagee or other party with a legal secured interest in the property. In no event will we pay more than the Limit of Insurance.

3. The following is added to Paragraph **E.4. Legal Action Against Us** Property Loss Condition:

The two-year period for legal action against us is extended by the number of days between the date the proof of loss is filed with us and the date we deny the claim in whole or in part.

C. Section II – Liability is amended as follows:

The term "spouse" is replaced by the following:

Spouse or party to a civil union recognized under Illinois law.

D. Section III – Common Policy Conditions is amended as follows:

1. The Paragraph **A. Cancellation** Common Policy Condition is replaced by the following:

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this Policy by mailing to us advance written notice of cancellation.

2. If this Policy has been in effect for 60 days or less, except as provided in Paragraphs **8.** and **9.** below, we may cancel this Policy by mailing written notice of cancellation at least:

a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or

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

3. If this Policy has been in effect for more than 60 days, except as provided in Paragraphs **8.** and **9.** below, we may cancel this Policy only for one or more of the following reasons:

a. Nonpayment of premium;

b. The Policy was obtained through a material misrepresentation;

c. You have violated any of the terms and conditions of the Policy;

d. The risk originally accepted has measurably increased;

e. Certification to the Director of Insurance of the loss of reinsurance by the insurer which provided coverage to us for all or a substantial part of the underlying risk insured; or

f. A determination by the Director of Insurance that the continuation of the Policy could place us in violation of the insurance laws of this State.

If we cancel this Policy based on one or more of the above reasons except for nonpayment of premium, we will mail written notice at least 60 days before the effective date of cancellation. When cancellation is for nonpayment of premium, we will mail written notice at least 10 days before the effective date of cancellation.

4. We will mail our notice to you, together with our reason for cancellation, at your last mailing address known to us. Proof of mailing will be sufficient proof of notice.

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5. Notification of cancellation will also be sent to your broker, if known, or agent of record, if known, and to the mortgagee or lienholder listed on the Policy.

6. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

7. If this Policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.

8. Real Property Other Than Residential Properties Occupied By Four Families Or Less

The following applies only if this Policy covers real property other than residential property occupied by four families or less:

If any one or more of the following conditions exists at any building that is Covered Property in this Policy, we may cancel this Policy by mailing to you written notice of cancellation, by both certified and regular mail, if:

a. After a fire loss, permanent repairs to the building have not started within 60 days of satisfactory adjustment of loss, unless the delay is due to a labor dispute or weather conditions.

b. The building has been unoccupied 60 or more consecutive days. This does not apply to:

(1) Seasonal unoccupancy; or

(2) Buildings under repair, construction or reconstruction, if properly secured against unauthorized entry.

c. The building has:

(1) An outstanding order to vacate;

(2) An outstanding demolition order; or

(3) Been declared unsafe in accordance with the law.

d. Heat, water, sewer service or public lighting have not been connected to the building for 30 consecutive days or more.

The Policy will terminate 10 days following receipt of the written notice by the Named Insured(s).

9. Residential Properties Occupied By Four Families Or Less

The following applies if this Policy covers residential properties occupied by four families or less:

If this Policy has been in effect for 60 days, or if this is a renewal policy, we may only cancel this Policy for one or more of the following reasons:

a. Nonpayment of premium;

b. The Policy was obtained by misrepresentation or fraud; or

c. Any act that measurably increases the risk originally accepted.

If we cancel this Policy based on one or more of the above reasons except for nonpayment of premium, we will mail written notice at least 30 days before the effective date of cancellation. When cancellation is for nonpayment of premium, we will mail written notice at least 10 days before the effective date of cancellation.

2. Paragraph **H.1. Other Insurance** is replaced by the following:

H. Other Insurance

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Form. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Form bears to the Limits of Insurance of all insurance covering on the same basis.

2. If there is other insurance covering the same loss or damage, other than that described in **1.** above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance of Section **I** – Property.

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3. The following paragraph is added to the **Common Policy Conditions:**

M. Nonrenewal

1. If we decide not to renew or continue this Policy, we will mail you written notice, stating the reason for nonrenewal. Proof of mailing will be sufficient proof of notice.

2. Except as provided in Paragraph **6.** below, we will mail you notice of nonrenewal at least 60 days before the end of the policy period.

3. If we offer to renew or continue and you do not accept, this Policy will terminate at the end of the current policy period. Failure to pay the required renewal or continuation premium when due shall mean that you have not accepted our offer.

4. If we fail to mail proper written notice of nonrenewal and you obtain other insurance, this Policy will end on the effective date of that insurance.

5. The following provision applies to policies other than those described in Paragraph **6.:**

Notification of nonrenewal will also be sent to your broker, if known, or agent of record, if known, and the mortgagee or lienholder listed on the Policy.

6. The following provision applies only if this Policy covers residential properties occupied by four families or less:

a. If this Policy has been issued to you and in effect with us for five or more years, we may not fail to renew this Policy unless:

(1) The Policy was obtained by misrepresentation or fraud and we mail you notice of nonrenewal at least 30 days before the end of the policy period as provided in **1.** above;

(2) The risk originally accepted has measurably increased and we mail you notice of nonrenewal at least 30 days before the end of the policy period as provided in **1.** above; or

(3) You received 60 days' notice of our intent not to renew as provided in **1.** above.

b. If this Policy has been issued to you and in effect with us for less than five years, we may not fail to renew this Policy unless you received 30 days' notice as provided in **1.** above.

c. Notification of nonrenewal will also be sent to your broker, if known, or agent of record, if known, and to the last known mortgagee or lienholder.

d. The nonrenewal shall not become effective until at least 30 days from the proof of mailing date of the notice to you.

E. The following changes apply only to Information Security Protection Endorsement **BP 15 07** if it is attached to this Policy:

1. Paragraph **(2)** of Insuring Agreement **d. Security Breach Liability** is replaced by the following:

(2) We will pay for "defense expenses" as a result of a "claim" in the form of a "regulatory proceeding" first made against the insured during the "policy period" or during the applicable Extended Reporting Period, in response to a "wrongful act" or a series of "interrelated wrongful acts" covered under Paragraph **d.(1).**

2. The following is added to the **Defense And Settlement** Provision under Paragraph **E.:**

3. If we initially defend an insured or pay for an insured's defense but later determine that the claim(s) is (are) not covered under this insurance, we will have the right to reimbursement for the defense costs we have incurred.

The right to reimbursement for the defense costs under this provision will only apply to defense costs we have incurred after we notify you in writing that there may not be coverage, and that we are reserving our rights to terminate the defense and seek reimbursement for defense costs.

3. The following is added to Exclusion **m.** under Paragraph **I.:**

However, Paragraphs **(1), (2)** and **(3)** shall not apply to loss resulting from a "hostile fire" if, and to the extent, loss resulting from any "claim" is based upon, attributable to or arising out of heat, smoke or fumes.

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4. Paragraph **2. Supplemental Extended Reporting Period** under Paragraph **N. Extended Reporting Periods** is replaced by the following:

2. Supplemental Extended Reporting Period

a. You will have the right to purchase a Supplemental Extended Reporting Period from us if:

(1) This Endorsement is cancelled or nonrenewed for any reason; or

(2) We renew or replace this Endorsement with insurance that:

(a) Has a Retroactive Date later than the date shown in the Schedule of this Endorsement for either Insuring Agreement **d.** Security Breach Liability or **g.** Web Site Publishing Liability. However, the Supplemental Extended Reporting Period will only be provided for the insuring agreement for which our renewal or replacement endorsement has a Retroactive Date later than the date shown in the Schedule of this Endorsement; or

(b) Does not apply to "wrongful acts" on a claims-made basis for either Insuring Agreement **d.** Security Breach Liability or **g.** Web Site Publishing Liability. However, the Supplemental Extended Reporting Period will only be provided for the insuring agreement for which our renewal or replacement endorsement does not apply to "wrongful acts" on a claims-made basis.

b. A Supplemental Extended Reporting Period, as specified in Paragraph **a.,** lasts one year and is available only for an additional premium.

c. The Supplemental Extended Reporting Period starts with the end of the Basic Extended Reporting Period set forth in Paragraph **1.** It does not extend the "policy period" or change the scope of the coverage provided. It applies only to "claims" to which the following applies:

(1) The "claim" is first made and reported to us during the Supplemental Extended Reporting Period; and

(2) The "claim" arose out of either a "wrongful act" or the first of a series of "interrelated wrongful acts" which occurred on or after the Retroactive Date, if any, shown in the Schedule and before the end of the "policy period".

d. You must give us a written request for the Supplemental Extended Reporting Period within 30 days after the end of the "policy period" or the effective date of cancellation, whichever comes first.

e. The Supplemental Extended Reporting Period will not go into effect unless you pay the additional premium in full within 30 days of tendering your request for the Supplemental Extended Reporting Period to us. Once in effect, the Supplemental Extended Reporting Period may not be cancelled.

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

(1) The exposures insured;

(2) Previous types and amounts of insurance;

(3) Limit of Insurance available under this Endorsement for future payment of damages; and

(4) Other related factors.

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

5. Paragraph **H. Other Insurance** under Paragraph **O.** is replaced by the following:

H. Other Insurance

If any "loss" resulting from any "claim" is insured by any other valid policy, we shall not be liable under this Endorsement for a greater proportion of such "loss" than the Information Security Protection Aggregate Limit Of Insurance stated in the Schedule bears to the total applicable limit of liability of all valid and collectible insurance against such "loss", unless such other insurance is purchased specifically to apply in excess of the Information Security Protection Aggregate Limit Of Insurance stated in the Schedule of this Endorsement.

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6. The definition of "defense expenses" in Paragraph **V.** is replaced by the following:

5. "Defense expenses" means payments allocated to a specific "claim" we investigate, settle or defend, for its investigation, settlement or defense, including:

a. Fees and salaries of attorneys and paralegals we retain.

b. Fees of attorneys an insured retains when, by our mutual agreement or court order (or when required by administrative hearing or proceeding), an insured is given the right to retain defense counsel to defend against a "claim".

c. All other litigation or administrative hearing expenses, including fees or expenses of expert witnesses hired either by us or by the defense attorney retained by an insured.

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

e. Costs taxed against an insured in the "suit".

"Defense expenses" does not include salaries and expenses of our "employees" or an insured's "employees" (other than those described in Paragraph **d.** above).

7. Paragraph **d.** of the definition of "loss" in Paragraph **V.** is replaced by the following:

d. With respect to Insuring Agreements **d.** Security Breach Liability and **g.** Web Site Publishing Liability:

Compensatory damages, settlement amounts and costs awarded pursuant to judgments or settlements.

"Loss" does not include:

(1) Civil or criminal fines or penalties imposed by law;

(2) Punitive or exemplary damages;

(3) The multiplied portion of multiplied damages;

(4) Taxes;

(5) Royalties;

(6) The amount of any disgorged profits; or

(7) Matters that are uninsurable pursuant to law.

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POLICY NUMBER: ROP 451854-13

BUSINESSOWNERS
BP 05 03 01 06

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ILLINOIS LIQUOR LIABILITY COVERAGE

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Coverage	Limits Of Insurance
Each Person Bodily Injury Limit	**Per statute 235 ILCS 5/6-21**
Each Person Property Damage Limit	**Per statute 235 ILCS 5/6-21**
Loss Of Means Of Support Or Loss Of Society Limit	**Per statute 235 ILCS 5/6-21**
Aggregate Limit	**$ 1,000,000**
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

With respect to Illinois locations, **Section II – Liability** is amended as follows:

A. The insurance provided under Paragraph **A.1. Business Liability,** also applies to all "bodily injury" or "property damage" arising out of the selling, serving or furnishing of alcoholic beverages.

B. For the insurance provided by this endorsement only, Paragraph **B. Exclusions** is amended as follows:

1. Paragraph **1. Applicable To Business Liability Coverages,** other than exclusions **a. Expected Or Intended Injury, d. Workers' Compensation And Similar Laws** and **e. Employer's Liability,** does not apply.

2. The following exclusions are added:

This insurance does not apply to:

a. "Bodily injury" or "property damage" arising out of any alcoholic beverage sold, served or furnished while any required license is not in effect.

b. "Bodily injury" or "property damage" arising out of "your product". This exclusion does not apply to "bodily injury" or "property damage" for which the insured or the insured's indemnitees 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.

c. Any "bodily injury" or "property damage" with respect to which other insurance is afforded, or would be afforded but for the exhaustion of the limits of insurance.

This exclusion does not apply if the other insurance responds to liability for "bodily injury" or "property damage" imposed on the insured by reason of the selling, serving or furnishing of any alcoholic beverage.

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C. The following are added to Paragraph **D. Liability And Medical Expenses Limits Of Insurance:**

D. Liability And Medical Expenses Limits Of Insurance

5. The Liquor Liability Aggregate Limit shown in the Schedule of this endorsement is the most we will pay for all "bodily injury" and "property damage" as the result of the selling, serving or furnishing of alcoholic beverages.

6. Subject to the Liquor Liability Aggregate Limit, the Loss Of Means Of Support Or Loss Of Society Limit is the most we will pay for all loss of means of support or society sustained by one or more persons as the result of the selling, serving or furnishing of alcoholic beverage to any one person.

7. Subject to the Liquor Liability Aggregate Limit, the Each Person Bodily Injury Limit is the most we will pay for all "bodily injury" sustained by one person as a result of the selling, serving or furnishing of any alcoholic beverage to any one person.

8. Subject to the Liquor Liability Aggregate Limit, the Each Person Property Damage Limit is the most we will pay for all "property damage" sustained by one person or organization as the result of the selling, serving or furnishing of any alcoholic beverage to any one person.

Neither the Liability And Medical Expenses Limit Of Insurance shown in the Declarations nor its aggregate limits apply to damages arising out of the selling, serving or furnishing of alcoholic beverages.

D. The following paragraph is added:

CONFORMITY TO STATUTE

If the limitation provided under Section 235.5/6-21, as published in the Illinois Administrative Code, is raised during the policy period, the limits of insurance provided in the Schedule of this endorsement are hereby amended to conform to that statute.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ILLINOIS CHANGES – DEFENSE COSTS

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The following is added to **Section II – Liability** Paragraph **A. Coverages:**

If we initially defend an insured or pay for an insured's defense but later determine that the claim(s) is (are) not covered under this insurance, we will have the right to reimbursement for the defense costs we have incurred.

The right to reimbursement for the defense costs under this provision will only apply to defense costs we have incurred after we notify you in writing that there may not be coverage, and that we are reserving our rights to terminate the defense and seek reimbursement for defense costs.

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POLICY NUMBER: ROP 451854-13

BUSINESSOWNERS
BP 06 95 01 10

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ILLINOIS – EMPLOYMENT-RELATED PRACTICES LIABILITY ENDORSEMENT

THIS ENDORSEMENT PROVIDES CLAIMS-MADE AND REPORTED COVERAGE

PLEASE READ THE ENTIRE FORM CAREFULLY

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Employment-related Practices Liability Annual Aggregate Limit Of Insurance:	**$**	5,000
Supplemental Limit:	**$**	
Deductible Amount:	**$**	1,000
Prior Or Pending Litigation Date: 05/20/2006		
☐ **Employment-related Malicious Prosecution**		
Retroactive Date: 05/20/2006		
☐ **Extended Reporting Period**		
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

For the purposes of the coverage provided by this endorsement, **Section II – Liability** is amended as follows:

A. The following is added to Paragraph **A. Coverages:**

1. Insuring Agreement

a. We will pay those sums the insured becomes legally obligated to pay as damages resulting from a "wrongful act" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages because of a "wrongful act" to which this insurance does not apply. We may, at our discretion, investigate any incident that may result from a "wrongful act". We may, with your written consent, settle any "claim" that may result. But:

(1) The amount we will pay for damages and "defense expenses" is limited as described in Paragraph **D.1.** Employment-related Practices Liability Annual Aggregate Limit Of Insurance and Paragraph **D.2.** Deductible of this endorsement; and

(2) The coverage and duty to defend provided by this endorsement will end when we have used the applicable Limit of Insurance for "defense expenses" or the payment of judgments or settlements.

No other obligation or liability to pay sums, such as civil or criminal fines, imposed on you or any other insured, or to perform acts or services is covered unless explicitly provided for under Supplementary Payments.

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b. This insurance applies to "wrongful acts" only if:

(1) The "wrongful act" takes place in the "coverage territory";

(2) The "wrongful act" did not commence before the Retroactive Date, if any, shown in the Schedule, or after the end of the policy period; and

(3) A "claim" against any insured for damages because of the "wrongful act" is first made during the policy period or an Extended Reporting Period provided under Paragraph **F.** of this endorsement, in accordance with Paragraphs **c.** and **d.** below.

c. A "claim" will be deemed to have been made at the earlier of the following times:

(1) When notice of such "claim" after being received by any insured is reported to us in writing; or

(2) When a "claim" against an insured is made directly to us in writing.

A "claim" received by the insured during the policy period and reported to us within 30 days after the end of the policy period will be considered to have been reported within the policy period. However, this 30-day grace period does not apply to "claims" that are covered under any subsequent insurance you purchase, or that would have been covered but for exhaustion of the amount of insurance applicable to such "claims".

d. If during the policy period you become aware of a "wrongful act" that may reasonably be expected to give rise to a "claim" against any insured, you must provide notice to us in accordance with the provisions of Paragraph **E.2.** Duties In The Event Of A Claim Or Wrongful Act That May Result In A Claim. If such notice is provided, then any "claim" subsequently made against any insured arising out of that "wrongful act" shall be deemed under this policy to be a "claim" made during the policy period in which the "wrongful act" was first reported to us.

e. All "claims" for damages because of a "wrongful act" committed against the same person, including damages claimed by any person for care, loss of services or death resulting at any time from the "wrongful act", will be deemed to have been made at the time the first of such "claims" is made, regardless of the number of "claims" subsequently made.

B. For the purposes of the coverage provided by this endorsement, the following is added to Paragraph **B. Exclusions,** Subparagraph **1. Applicable To Business Liability Coverage:**

This insurance does not apply to:

a. Criminal, Fraudulent Or Malicious Acts

An insured's liability arising out of criminal, fraudulent or malicious acts or omissions by that insured.

This exclusion does not affect our duty to defend, in accordance with Paragraph **A.1.** of this endorsement, an insured prior to determining, through the appropriate legal processes, that that insured is responsible for a criminal, fraudulent or malicious act or omission.

b. Contractual Liability

Any "wrongful act" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement.

c. Violation Of Laws Applicable To Employers

A violation of your responsibilities or duties required by any other federal, state or local statutes, rules or regulations, and any rules or regulations promulgated therefor or amendments thereto, except for the following, and including amendments thereto: Title VII of the Civil Rights Act of 1964, the Americans With Disabilities Act, the Age Discrimination in Employment Act, the Equal Pay Act, the Pregnancy Discrimination Act of 1978, the Immigration Reform Control Act of 1986 the Family and Medical Leave Act of 1993 and the Genetic Information Nondiscrimination Act of 2008 or any other similar state or local statutes, rules or regulations to the extent that they prescribe responsibilities or duties concerning the same acts or omissions.

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However, this insurance does not apply to a "wrongful act" arising out of your failure to comply with any of the accommodations for the disabled required of you by, or any expenses incurred as the result of physical modifications made to accommodate any person pursuant to, the Americans With Disabilities Act, or any amendments thereto, or any similar state or local statutes, rules or regulations to the extent that they prescribe responsibilities or duties concerning the same acts or omissions.

This exclusion does not apply to any "claim" for retaliatory treatment by an insured against any person making a "claim" pursuant to such person's rights under any statutes, rules or regulations.

d. Strikes And Lockouts

Any "wrongful act" committed against any striking or locked-out "employee", or to an "employee" who has been temporarily or permanently replaced due to any labor dispute.

e. Prior Or Pending Litigation

Any "claim" or "suit" against any insured which was pending on, or existed prior to, the applicable Pending Or Prior Litigation Date shown in the Schedule, or any "claim" or "suit" arising out of the same or substantially the same facts, circumstances or allegations which are the subject of, or the basis for, such "claim" or "suit".

f. Prior Notice

Any "wrongful act" alleged or contained in any "claim" which has been reported, or for which, in any circumstance, notice has been given, under any other prior insurance policy providing essentially the same type of coverage.

C. For the purposes of the coverage provided by this endorsement, **Section II – Who Is An Insured** is amended to include as an insured:

1. Your "employees", unless otherwise excluded in this endorsement.

2. Your former "employees", unless otherwise excluded in this endorsement, but only with respect to "wrongful acts" committed while in your employ.

D. For the purposes of the coverage provided by this endorsement, Paragraph **D. Liability And Medical Expenses Limits Of Insurance** is replaced by the following:

1. Employment-related Practices Liability Annual Aggregate Limit Of Insurance

a. The Employment-related Practices Liability Annual Aggregate Limit Of Insurance shown in the Schedule of this endorsement is the most we will pay, regardless of the number of:

(1) Insureds;

(2) "Claims" made or "suits" brought; or

(3) Persons, organizations or government agencies making "claims" or bringing "suits".

b. The Employment-related Practices Liability Annual Aggregate Limit Of Insurance shown in the Schedule of this endorsement is the most we will pay for the sum of:

(1) All damages; and

(2) All "defense expenses"

because of all "wrongful acts" to which this insurance applies.

The Employment-related Practices Liability Annual Aggregate Limit Of Insurance applies separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Employment-related Practices Liability Annual Aggregate Limit Of Insurance.

2. Deductible

a. We will not pay for our share of damages and "defense expenses" until the amount of damages and "defense expenses" exceeds the Deductible shown in the Schedule of this endorsement. We will then pay the amount of damages and "defense expenses" in excess of the Deductible, up to the Employment-related Practices Liability Annual Aggregate Limit Of Insurance.

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Example No. 1

Deductible: $5,000

Limit of Insurance: $100,000

Damages and "Defense Expenses": $75,000

The Deductible will be subtracted from the amount of damages and "defense expenses" in calculating the amount payable:

$75,000 - $5,000 = $70,000 Amount Payable

Example No. 2

Deductible: $5,000

Limit of Insurance: $100,000

Damages and "Defense Expenses": $120,000

The Deductible will be subtracted from the amount of damages and "defense expenses" ($120,000 - $5,000 = $115,000). Since the amount of the damages and "defense expenses" minus the Deductible exceeds the Limit of Insurance, the policy will pay the full Limit of Insurance ($100,000).

b. The Deductible amount shown in the Schedule applies to all "claims" arising out of:

(1) The same "wrongful act"; or

(2) A series of "wrongful acts", circumstances or behaviors which arise from a common cause

regardless of the number of persons, organizations or government agencies making such "claims".

c. We may pay any part or all of the Deductible amount to effect settlement of any "claim" and, upon notification of the action taken, you shall promptly reimburse us for such part of the Deductible amount as has been paid by us.

E. For the purposes of the coverage provided by this endorsement, the following are added to Paragraph **E. Liability And Medical Expenses General Conditions:**

1. Consent To Settle

If we recommend a settlement to you which is acceptable to the claimant, but to which you do not consent, the most we will pay as damages in the event of any later settlement or judgment is the amount for which the "claim" could have been settled, to which you did not give consent, less any deductible.

2. Duties In The Event Of A Claim Or Wrongful Act That May Result In A Claim

a. If a "claim" is received by any insured, you must:

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

(2) Notify us, in writing, as soon as practicable.

b. You and any other involved insured must:

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

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

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

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

c. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense without our written consent.

d. If you become aware of a "wrongful act" that may reasonably be expected to give rise to a "claim" and for which a "claim" has not yet been received, you must notify us, in writing, as soon as practicable. Such notice must provide:

(1) A description of the "wrongful act", including all relevant dates;

(2) The names of the persons involved in the "wrongful act", including names of the potential claimants;

(3) Particulars as to the reasons why you became aware of and reasonably expect a "claim" which may result from such "wrongful act";

(4) The nature of the alleged or potential damages arising from such "wrongful act"; and

(5) The circumstances by which the insured first became aware of the "wrongful act".

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3. Representations

By accepting this policy, you agree that:

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

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

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

4. If You Are Permitted To Select Defense Counsel

If, by mutual agreement or court order, the insured is given the right to select defense counsel and the Limit of Insurance has not been used up, the following provisions apply:

a. We retain the right, at our discretion, to:

(1) Settle, approve or disapprove the settlement of any "claim"; and

(2) Appeal any judgment, award or ruling at our expense.

b. You and any other involved insured must:

(1) Continue to comply with Paragraph **E.2.** Duties In The Event Of A Claim Or Wrongful Act That May Result In A Claim Condition of this endorsement as well as the other provisions of this policy; and

(2) Direct defense counsel of the insured to:

(a) Furnish us with the information we request to evaluate those "suits" for coverage under this policy; and

(b) Cooperate with any counsel we may select to monitor or associate in the defense of those "suits".

c. If we defend you under a reservation of rights, both your and our counsel will be required to maintain records pertinent to your "defense expenses". These records will be used to determine the allocation of any "defense expenses" for which you may be solely responsible, including defense of an allegation not covered by this insurance.

5. Transfer Of Duties When Limit Of Insurance Is Used Up

a. If we conclude that, based on "claims" which have been reported to us and to which this insurance may apply, the Employment-related Practices Liability Annual Aggregate Limit Of Insurance is likely to be used up in the payment of judgments or settlements for damages or the payment of "defense expenses", we will notify the first Named Insured, in writing, to that effect.

b. When the Employment-related Practices Liability Annual Aggregate Limit Of Insurance has actually been used up in the payment of judgments or settlements for damages or the payment of "defense expenses", we will:

(1) Notify the first Named Insured in writing, as soon as practicable, that such a limit has actually been used up and that our duty to defend the insured against "suits" seeking damages subject to that limit has also ended;

(2) Initiate, and cooperate in, the transfer of control, to any appropriate insured, of all "suits" for which the duty to defend has ended for the reason described in preceding Paragraph **5.b.(1)** and which are reported to us before that duty to defend ended; and

(3) Take such steps, as we deem appropriate, to avoid a default in, or continue the defense of, such "suits" until such transfer is completed, provided the appropriate insured is cooperating in completing such transfer.

c. If the circumstances described in Paragraph **5.b.(1)** have occurred, the first Named Insured, and any other insured involved in a "suit" seeking damages subject to that limit, must:

(1) Cooperate in the transfer of control of "suits"; and

(2) Arrange for the defense of such "suit" within such time period as agreed to between the appropriate insured and us. Absent any such agreement, arrangements for the defense of such "suit" must be made as soon as practicable.

d. We will take no action with respect to defense for any "claim" if such "claim" is reported to us after the Employment-related Practices Liability Annual Aggregate Limit Of Insurance has been used up. It becomes the responsibility of the first Named Insured, and any other insured involved in such a "claim", to arrange defense for such "claim".

e. The first Named Insured will reimburse us as soon as practicable for expenses we incur in taking those steps we deem appropriate in accordance with Paragraph **5.b.**

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f. The exhaustion of the Employment-related Practices Liability Annual Aggregate Limit Of Insurance and the resulting end of our duty to defend will not be affected by our failure to comply with any of the provisions of this Condition.

F. Extended Reporting Period

1. For the purposes of the coverage provided by this endorsement, the following Extended Reporting Period provisions are added:

a. You will have the right to purchase an Extended Reporting Period from us if:

(1) This endorsement is cancelled or not renewed for any reason; or

(2) We renew or replace this endorsement with insurance that:

(a) Has a Retroactive Date later than the date shown in the Schedule of this endorsement; or

(b) Does not apply to "wrongful acts" on a claims-made basis.

b. An Extended Reporting Period, as specified in Paragraph **F.1.a.** above, lasts three years and is available only for an additional premium.

c. The Extended Reporting Period starts with the end of the policy period. It does not extend the policy period or change the scope of the coverage provided. It applies only to "claims" to which the following applies:

(1) The "claim" is first made during the Extended Reporting Period;

(2) The "wrongful act" occurs before the end of the policy period; and

(3) The "wrongful act" did not commence before the Retroactive Date.

d. You must give us a written request for the Extended Reporting Period within 30 days after the end of the policy period or the effective date of cancellation, whichever comes first.

e. The Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due and any premium or deductible you owe us for coverage provided under this endorsement. Once in effect, the Extended Reporting Period may not be cancelled.

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

(1) The exposures insured;

(2) Previous types and amounts of insurance;

(3) Limit of Insurance available under this endorsement for future payment of damages; and

(4) Other related factors.

The additional premium will not exceed 200% of the annual premium for this endorsement.

g. When the Extended Reporting Period is in effect, we will provide a Supplemental Limit of Insurance for any "claim" first made during the Extended Reporting Period.

The Supplemental Limit of Insurance will be equal to the dollar amount shown in the Schedule of this endorsement under the Employment-related Practices Liability Annual Aggregate Limit Of Insurance.

Paragraph **D.1.b.** of this endorsement will be amended accordingly.

2. If the Extended Reporting Period is chosen by checking the appropriate box in the Schedule of this endorsement, the provisions of this Paragraph **2.** supercede any other provisions of this endorsement to the contrary.

a. An Extended Reporting Period is provided, as described in Paragraph **F.** Extended Reporting Period.

b. A Supplemental Limit of Insurance applies, as set forth in Paragraph **F.2.c.** below, to "claims" first made during the Extended Reporting Period. The limit is equal to the Employment-related Practices Liability Annual Aggregate Limit Of Insurance entered in the Schedule.

c. Paragraph **D.1.b.** of this endorsement is replaced by the following:

b. The Employment-related Practices Liability Annual Aggregate Limit Of Insurance shown in the Schedule of this endorsement is the most we will pay for the sum of:

(1) All damages; and

(2) All "defense expenses"

because of all "wrongful acts" to which this insurance applies.

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However, the Employment-related Practices Liability Annual Aggregate Limit Of Insurance does not apply to "claims" to which the Supplemental Limit Of Insurance applies.

d. The following is added to Paragraph **D.1.** of this endorsement:

c. The Supplemental Limit Of Insurance is the most we will pay for the sum of:

(1) All damages; and

(2) All "defense expenses"

because of all "wrongful acts" for "claims" first made during the Extended Reporting Period.

e. Paragraph **D.1. Employment-related Practices Liability Annual Aggregate Limit Of Insurance,** as amended by Paragraphs **F.2.c.** and **F.2.d.,** is otherwise unchanged and applies in its entirety.

f. The Extended Reporting Period will not take effect unless the additional premium for it, as set forth in Paragraph **F.** Extended Reporting Period, is paid when due. If that premium is paid when due, the Extended Reporting Period may not be cancelled.

G. For the purposes of the coverage provided by this endorsement, the following is added to Paragraph **F. Liability And Medical Expenses Definitions** of the policy:

1. "Claim" means a "suit" or demand made by or for a current, former or prospective "employee" for damages because of an alleged "wrongful act".

2. "Defense expenses" means payments allocated to a specific "claim" we investigate, settle or defend, for its investigation, settlement or defense, including:

a. Fees and salaries of attorneys and paralegals we retain.

b. Fees of attorneys the insured retains when, by our mutual agreement or court order (or when required by administrative hearing or proceeding), the insured is given the right to retain defense counsel to defend against a "claim".

c. All other litigation or administrative hearing expenses, including fees or expenses of expert witnesses hired either by us or by the defense attorney retained by an insured.

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

e. Costs taxed against the insured in a "suit".

"Defense expenses" does not include salaries and expenses of our "employees" or the insured's "employees" (other than those described in Paragraph **d.** of this definition).

3. "Discrimination" means violation of a person's civil rights with respect to such person's race, color, national origin, religion, 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. "Wrongful act" means one or more of the following offenses, but only when they are employment-related:

a. Wrongful demotion or failure to promote, negative evaluation, reassignment, or discipline of your current "employee" or wrongful refusal to employ;

b. Wrongful termination, meaning the actual or constructive termination of an "employee":

(1) In violation or breach of applicable law or public policy; or

(2) Which is determined to be in violation of a contract or agreement, other than an employment contract or agreement, whether written, oral or implied, which stipulates financial consideration if such financial consideration is due as the result of a breach of the contract;

c. Wrongful denial of training, wrongful deprivation of career opportunity, or breach of employment contract;

d. Negligent hiring or supervision which results in any of the other offenses listed in this definition;

e. Retaliatory action against an "employee" because the "employee" has:

(1) Declined to perform an illegal or unethical act;

(2) Filed a complaint with a governmental authority or a "suit" against you or any other insured in which damages are claimed;

(3) Testified against you or any other insured at a legal proceeding; or

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(4) Notified a proper authority of any aspect of your business operation which is illegal;

f. Coercing an "employee" to commit an unlawful act or omission within the scope of that person's employment;

g. Harassment;

h. Libel, slander, invasion of privacy, defamation or humiliation; or

i. Verbal, physical, mental or emotional abuse arising from "discrimination".

H. If Employment-related Malicious Prosecution is chosen by checking the appropriate box in the Schedule of this endorsement, then the following provisions apply:

1. Paragraph **B.a.** of this endorsement is replaced by the following:

This insurance does not apply to:

a. Criminal, Fraudulent Or Malicious Acts

An insured's liability arising out of criminal, fraudulent or malicious acts or omissions by that insured.

However, this exclusion does not apply to malicious prosecution of "employees" by that insured. This exclusion does not affect our duty to defend, in accordance with Paragraph **A.1.** of this endorsement, an insured prior to determining, through the appropriate legal processes, that that insured is responsible for a criminal, fraudulent or malicious act or omission.

2. The following is added to Paragraph **G.4.** of this endorsement:

j. Malicious prosecution.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYMENT-RELATED PRACTICES EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

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

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

(1) A person arising out of any:

(a) Refusal to employ that person;

(b) Termination of that person's employment; or

(c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or malicious prosecution directed at that person; or

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

This exclusion applies:

(1) Whether the injury-causing event described in Paragraph **(a), (b)** or **(c)** above occurs before employment, during employment or after employment of that person;

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

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

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POLICY NUMBER: ROP 451854-13

BUSINESSOWNERS
BP 04 48 07 13

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – DESIGNATED PERSON OR ORGANIZATION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s):
City of Chicago Department of Business Affairs & Consumer Protection Its Agents & Employees 121 N La Salle St Rm 805 , Chicago, IL, 60602
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

Section II – Liability is amended as follows:

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

3. Any person(s) or organization(s) shown in the Schedule is also an additional insured, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf in the performance of your ongoing operations or in connection with your premises owned by or rented to you.

However:

a. The insurance afforded to such additional insured only applies to the extent permitted by law; and

b. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

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

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

1. Required by the contract or agreement; or

2. Available under the applicable Limits Of Insurance shown in the Declarations;

whichever is less.

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

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POLICY NUMBER: ROP 451854-13

BUSINESSOWNERS
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THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

SCHEDULE

SCHEDULE – PART I
Terrorism Premium (Certified Acts) $ **Additional information, if any, concerning the terrorism premium:**
SCHEDULE – PART II **Federal share of terrorism losses** 81 **% Year: 20** 19 (Refer to Paragraph **B.** in this endorsement.) **Federal share of terrorism losses** 80 **% Year: 20** 20 (Refer to Paragraph **B.** in this endorsement.)
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Disclosure Of Premium

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

B. Disclosure Of Federal Participation In Payment Of Terrorism Losses

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals a percentage (as shown in Part **II** of the Schedule of this endorsement or in the policy Declarations) of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed $100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds $100 billion.

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C. Cap On Insurer Participation In Payment Of Terrorism Losses

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

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UNDERTHIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WATER BACK-UP AND SUMP OVERFLOW

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

SCHEDULE

	Covered Property Annual Aggregate Limit Of Insurance	Business Income And Extra Expense Annual Aggregate Limit Of Insurance
Policy Limit	$ 25,000	$ 25,000

OPTIONAL LOCATION SCHEDULE

Premises Number	Covered Property Limit Per Location	Business Income And Extra Expense Limit Of Insurance Per Location
	$	$
	$	$
	$	$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

A. We will pay for direct physical loss or damage to Covered Property, covered under Businessowners Special Property Coverage Form, caused by or resulting from:

1. Water or waterborne material which backs up through or overflows or is otherwise discharged from an interior sewer or drain; or

2. Water or waterborne material which overflows or is otherwise discharged from a sump, sump pump or related equipment, even if the overflow or discharge results from mechanical breakdown of an interior sump pump or its related equipment.

B. The most we will pay for the coverage provided under this endorsement for all direct physical loss or damage to Covered Property is the Covered Property Annual Aggregate Limit of Insurance shown in the Schedule.

The applicable Covered Property Annual Aggregate Limit of Insurance is the most we will pay under this endorsement for the total of all direct physical loss or damage at all locations sustained in any one policy year, regardless of the number of occurrences that cause or result in loss or damage to Covered Property. If loss payment for the first such occurrence does not exhaust the applicable Limit of Insurance, then the balance of that Limit is available for subsequent loss or damage sustained in, but not after, that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

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

D. The following provisions apply to Businessowners Special Property Coverage Form and supersede any provisions to the contrary:

The most we will pay under:

1. Paragraph **A.5.g**. Business Income Additional Coverage for all loss of Business Income you sustain due to the necessary suspension of your "operations" caused by direct physical loss or damage to Covered Property as described in Paragraph **A**. of this endorsement; and

2. Paragraph **A.5.h.** Extra Expense Additional Coverage for all necessary Extra Expense you incur and that you would not have incurred if there had been no direct physical loss or damage to Covered Property as described in Paragraph **A**. of this endorsement;

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is the Business Income And Extra Expense Annual Aggregate Limit of Insurance shown in the Schedule.

The applicable Business Income And Extra Expense Annual Aggregate Limit of Insurance is the most we will pay under this endorsement for the total of all loss of Business Income you sustain and Extra Expense you incur at all locations in any one policy year, regardless of the number of occurrences that cause or result in loss or damage to Covered Property as described in Paragraph **A**. of this endorsement. If loss payment during an earlier "period of restoration" in the policy year does not exhaust the applicable Limit of Insurance, then the balance of that Limit is available for loss of Business Income you sustain or Extra Expense you incur during a subsequent "period of restoration" beginning in, but not after, that policy year. With respect to a "period of restoration" which begins in one policy year and continues in a subsequent policy year(s), all loss of Business Income you sustain or Extra Expense you incur is deemed to be sustained or incurred in the policy year in which the "period of restoration" began.

E. If the optional Location Schedule is completed, the most we will pay for the coverage provided under this endorsement for all direct physical loss or damage to Covered Property is the Limit per Location shown in the Schedule.

F. All exclusions under Businessowners Special Property Coverage Form apply except **B.1.g.(3)**.

G. The following Additional Coverages do not apply to this Water Back-Up and Sump Overflow endorsement:

A.5.a., Debris Removal,

A.5.e., Water Damage, Other Liquids, Powder or Molten Material Damage,

A.5.j., Pollution Clean Up And Removal,

A.5.o., Ordinance Or Law

A.5.m., Contamination

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SOCIETY INSURANCE, a mutual company

TopChoice EXTENSION ENDORSEMENT

SUBJECT TO ALL TERMS AND CONDITIONS (INCLUDING DEDUCTIBLE) APPLICABLE TO THE BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM AND THE BUSINESSOWNERS LIABILITY COVERAGE FORM OF THIS POLICY, COVERAGE IS EXTENDED TO INCLUDE THE FOLLOWING.

A. Crime

The following Optional Coverages and limits are included:

G.2.a.	Money and Securities	$10,000 Limit
G.2.b.	Money Orders and Counterfeit Money	$10,000 Limit
G.2.c.	Forgery and Alteration	$10,000 Limit
G.2.d.	Extortion	$10,000 Limit
G.2.e.	Computer Fraud	$10,000 Limit
G.2.f.	Funds Transfer Fraud	$10,000 Limit

unless a higher limit is shown in the Declarations.

B. Employee Dishonesty

Optional Coverage **G.3.**, Employee Dishonesty, is included for the limit of $50,000, unless a higher limit is shown in the Declarations.

C. Fine Arts

You may extend the insurance that applies to Business Personal Property to apply to your fine arts and fine arts in your care, custody or control at the described premises. Special Form Coverage limitation **A.4.b.** does not apply to this Extension.

Fine arts as used in this endorsement means property having rare, historic or artistic value.

The most we will pay under this Extension is $25,000 but not more than $500 any one item.

D. Accounts Receivable

The most we will pay under Coverage Extension **A.6.g.**, Accounts Receivable is increased to $30,000 at each described premises, unless a higher limit is shown in the Declarations.

E. Valuable Papers and Records

The most we will pay under Coverage Extension **A.6.f.**, Valuable Papers and Records - Cost of Research, is increased to $30,000 at each described premises, unless a higher limit is shown in the Declarations.

F.Outdoor Property

The most we will pay under Coverage Extension **A.6.c.**, Outdoor Property, is increased to $20,000 at each described premises, unless a higher limit is shown in the Declarations.

Property covered under this Coverage Extension is extended to include permanent outdoor shelters.

G. Pollutant Clean Up And Removal

The most we will pay under Additional Coverages Extension **A.5.j.**, Pollutant Clean Up And Removal, is increased to $50,000 at each described premises.

H. Watercraft

You may extend the insurance that applies to Business Personal Property to apply to watercraft (including motors, equipment and accessories) owned by you and held solely for rental purposes.

The most we will pay under this Extension is $5,000 but not more than $1,000 for any one item.

I. Guest's Personal Property

1. Coverage

We will pay those sums that you become legally obligated to pay as damages because of direct physical loss or damage, including loss of use, to Covered Property caused by accident and arising out of any Covered Cause of Loss. We will have the right and duty to defend any "suit" seeking those damages. But:

a. The amount we will pay for damages is limited as described in Limit of Insurance section;

b. We may investigate and settle any claim or "suit" at our discretion; and

c. Our right and duty to defend end when we have used up the Limit of Insurance in the payment of judgments or settlements.

2. Covered Property

Covered Property, as used in this Coverage Extension, means tangible property of others, including personal effects of guests, customers and employees, in your care, custody or control.

3. Additional Coverage - Supplementary Payments

We will pay, with respect to any claim or "suit" we defend:

a. All expenses we incur.

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b. The cost of bonds to release attachments, but only for bond amounts within our Limit of Insurance. We do not have to furnish these bonds.

c. All reasonable expenses incurred by you at our request, including actual loss of earnings up to $100 a day because of time off from work.

d. All costs taxed against you in the "suit".

e. Prejudgment interest awarded against you on that part of the judgment we pay. If we make an offer to pay the Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer.

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

4. Limit of Insurance

The most we will pay in damages as the result of any one accident is $15,000.

Payments under the Additional Coverage are in addition to the Limit of Insurance.

5. Definition

"Suit" includes an arbitration proceeding to which you must submit or submit with our consent.

J. Special Events Extended Personal Property

For events not exceeding 14 days, held away from premises which you own or control, you may extend the insurance which applies to Business Personal Property to cover temporary locations.

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

K. Contamination

Additional Coverage **A.5.m.(1)**, Contamination, limit of coverage is increased to $25,000.

L. The Following Codes Apply To Businessowners Liability Coverage Form On An "If Any" Basis:

1. Sponsored Athletic Events 40059

Athletic games sponsored, managed or supervised by you providing:

a. The event is away from the premises owned or controlled by you.

b. The majority of the participants representing you are not your employees.

c. There is no charge other than for charitable purposes.

2. Special Events 43424

Exhibitions – no stadiums of grandstands – events not to exceed 14 days held off premises owned or controlled by you for purposes related to the operation of your business.

M. The following endorsements also apply to this TopChoice Extension Endorsement:

1. Product Spoilage

Unless a higher Limit of Insurance is purchased for an additional premium, the Limit of Insurance shown in the Schedule of the Product Spoilage endorsement is the limit provided by this extension endorsement or the Limit of Insurance for Business Personal Property, whichever is less.

2. Employment-Related Practices Liability Endorsement

Unless a higher Limit of Insurance is purchased for an additional premium, the Limit of Insurance shown in the Schedule of the Employment Related Practices Liability Endorsement is the limit provided by this extension endorsement. A **$1,000** deductible applies as shown in the endorsement schedule.

This endorsement does not otherwise amend or alter the coverage or limits provided in the endorsements shown above.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – UNMANNED AIRCRAFT

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM

1. Exclusion **1.g. Aircraft, Auto Or Watercraft** under **Businessowners Liability Coverage Form** is replaced by the following:

B. Exclusions

This insurance does not apply to:

g. Aircraft, Auto Or Watercraft

(1) Unmanned Aircraft

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

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

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

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

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

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

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

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

(i) Less than 51 feet long; and

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

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

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

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

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

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

2. The following exclusion is added to **Exclusions Item p. - Personal And Advertising Injury:**

This insurance does not apply to:

14) Unmanned Aircraft

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

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

This exclusion does not apply to:

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

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

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

"Unmanned aircraft" means an aircraft that is not:

1. Designed;

2. Manufactured; or

3. Modified after manufacture;

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

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ASBESTOS – EXCLUSION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM

The following exclusion is added to paragraph B., Exclusions 1. Applicable To Business Liability Coverage and Exclusion 1. p. Personal And Advertising Injury:

This insurance does not apply to:

1. "Bodily injury, "property damage" or "personal and advertising injury" arising out of, in whole or in part by the actual, alleged or threatened:

a. Inhalation of, ingestion of or physical exposure to asbestos;
b. Use of asbestos in construction or manufacture of any goods, products or structures;
c. Removal of asbestos from any goods, products or structures;
d. Manufacture, sale, transport, storage or disposal of asbestos;
e. Discharge, dispersal, seepage, migration, release or escape of asbestos.

2. Any loss, cost or expense arising out of, in whole or in part, by any:

a. Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of asbestos; or
b. Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to or assessing the effects of asbestos.

Definition: "Asbestos" means not only the natural fibrous mineral forms of impure magnesium silicate but, also, any material, good, product or structure of which it is a part.

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This endorsement modifies insurance provided under the following:

BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM

PRODUCT SPOILAGE

SCHEDULE

Spoilage

Prem. No.	Bldg. No.	Limit of Insurance	Deductible
1	1	$100,000	$5,000

Spoilage in Vehicles

	Limit of Insurance	Deductible
Per Vehicle	$	$

Information required to complete the Schedule, if not shown in this endorsement, will be shown in the Declarations.

I. SPOILAGE

A. Coverage

1. We will pay for your loss of "perishable stock" due to spoilage caused by a Spoilage Covered Cause of Loss, as provided by this endorsement.

2. Subject to all the provisions and conditions under the Businessowners Special Property Coverage Form, we will also pay for loss of Business Income or Extra Expense at the described premises resulting from loss of "perishable stock" due to spoilage caused by a Spoilage Covered Cause of Loss, as provided by this endorsement.

We cover only the location(s) and limits specified in the Declarations or that is indicated on the Schedule.

3. If a limit for Spoilage in Vehicles is shown in the Schedule, Spoilage coverage is extended to cover "perishable stock" in your vehicles which you own or operate and are equipped with refrigerating, cooling or humidity control apparatus.

B. Spoilage Covered Causes of Loss

Subject to the exclusions described in Item **C.** of this section, Spoilage Covered Cause of Loss means the following:

1. Spoilage caused by or resulting from:

a. Change in temperature or humidity resulting from mechanical breakdown or mechanical failure of refrigerating, cooling or humidity control apparatus or equipment, only while such apparatus or equipment is at the described location; or

b. Contamination by a refrigerant, only while the refrigerating apparatus or equipment is at the described location; or

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c. Power Outage, meaning change in temperature or humidity at the described location resulting from complete or partial interruption of electrical power, either on or off the described premises, due to conditions beyond your control.

2. Spoilage coverage applies to "perishable stock" at the described premises which is:

a. Owned by you and used in your business; or

b. Owned by others and in your care, custody or control except as otherwise provided in Loss Payment Property Loss Condition **E.5.d.(3)(b).**

3. We will also pay any necessary expenses you incur to reduce the amount of loss under this coverage. We will pay for such expenses to the extent that they do not exceed the amount of loss that otherwise would have been payable under this coverage.

4. Exclusions **B.1.a**. Ordinance or Law and **B.1.e.** Utility Services do not apply to Spoilage Coverage.

5. Paragraphs **A.6.** Coverage Extensions and G. Optional Coverages do not apply to Spoilage Coverage.

C. Spoilage Exclusions

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

1. The disconnection of any refrigerating, cooling or humidity control system from the source of power.

2. The 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 of an electrical utility company or other power source to provide sufficient power due to:

a. Lack of fuel; or

b. 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 refrigerating, cooling or humidity control unit.

II. LIMITS

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

III. DEDUCTIBLE

We will not pay for loss in any one occurrence until the amount of the adjusted loss exceeds the deductible shown in the Schedule. We will then pay the amount of the adjusted loss in excess of the deductible, up to the applicable Limit of Insurance.

IV. SALVAGE

You will take all necessary precautions to preserve the salvage and reduce the loss.

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PROPERTY ENHANCEMENT ENDORSEMENT

GREEN ENVIRONMENTAL AND ENERGY EFFICIENCY IMPROVEMENTS

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM

This policy is amended to include the following terms. All other terms of the policy apply, except as amended by this Endorsement.

A. Property Loss Conditions

The following is added to part **E.5.d., Property Loss Conditions:**

10) For the purpose of improving environmental quality and energy efficiency of property to be repaired or replaced, we will determine the value of Covered Property as follows:

a) The lesser of the reasonable and necessary additional cost incurred by the Insured to repair or replace physically damaged Covered Property with material of like kind and quality which qualifies as "Green". Like kind and quality includes similar size and capacity.

b) The additional reasonable and necessary fees incurred by the Insured for an accredited professional certified by a "Green Authority" to participate in the repair or replacement of physically damaged Covered Property as "Green".

c) The additional reasonable and necessary cost incurred by the Insured for certification or recertification of the repaired or replaced Covered Property as "Green".

d) The additional reasonable and necessary cost incurred by the Insured for "Green" in the removal, disposal or recycling of damaged Covered Property.

e) The business interruption loss during the additional time required for repair or replacement of Covered Property, consistent with "Green", in the coverages above.

We will not pay more than 125%, to a maximum limit of $100,000, of what the cost would have been to repair or replace with material of like kind and quality inclusive of fees, costs, and any business interruption loss incurred as stated above.

These **Property Loss Conditions** will be a part of, and not an addition to, the Limits Of Insurance or any other sub-limits, Additional Coverages or Coverage Extensions applicable to this Policy.

B. Exclusions

The following is added to part **B., Exclusions**:

7. The **Property Enhancement Endorsement - Green Environmental and Energy Efficiency Improvements** does not cover any of the following:

a. Covered Property does not include stock, raw materials, finished goods, "production machinery", merchandise, electronic data processing equipment not used in the functional support of the real property, process water, molds and dies, property in the open, property of others for which the Insured is legally liable, or personal property of others.

b. Any loss adjusted on any valuation basis other than a repair or replacement basis as per the Valuation section of this policy.

c. Any cost incurred due to any law or ordinance with which the Insured was legally obligated to comply prior to the time of the Covered Cause of Loss.

C. Definitions

The following is added to part **H., Property Definitions**:

20. "Green" means products, materials, methods and processes certified by a "Green Authority" that conserve natural resources, reduce energy or water consumption, avoid toxic or other polluting emissions or otherwise minimize environmental impact.

21. "Green Authority" means an authority on "Green" buildings, products, materials, methods or processes certified and accepted by Leadership in Energy and Environmental Design (LEED®), "Green" Building Initiative Green Globes®, Energy Star Rating System or any other recognized "Green" rating system.

22. "Production machinery" means any machine which processes, forms, shapes, or transports raw materials, materials in process, waste materials or finished products.

All other terms and conditions of this policy remain unchanged.

BUSINESSOWNERS LIABILITY COVERAGE FORM

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

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

The word "insured" means any person or organization qualifying as such under SECTION **C** – WHO IS AN INSURED.

Other words and phrases that appear in quotation marks have special meaning. Refer to SECTION **F** – LIABILITY AND MEDICAL EXPENSES DEFINITIONS.

A. Coverages

1. Business Liability

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

1) The amount we will pay for damages is limited as described in Paragraph **D** – Liability And Medical Expenses Limits Of Insurance in **Section II – Liability**; and

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

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

b. This insurance applies:

1) To "bodily injury" and "property damage" only if:

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

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

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

2) To "personal and advertising injury" caused by an offense arising out of your business, but only if the offense was committed in the "coverage territory" during the policy period.

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

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

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

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

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

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

f. Coverage Extension – Supplementary Payments

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

a) All expenses we incur.

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

c) The cost of bonds to release attachments, but only for bond amounts within our Limit of Insurance. We do not have to furnish these bonds.

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

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

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

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

These payments will not reduce the limit of liability

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

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

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

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

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

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

f) The indemnitee:

i) Agrees in writing to:

i. Cooperate with us in the investigation, settlement or defense of the "suit";

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

iii. Notify any other insurer whose coverage is available to the indemnitee; and

iv. Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and

ii) Provides us with written authorization to:

i. Obtain records and other information related to the "suit"; and

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ii. Conduct and control the defense of the indemnitee in such "suit".

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3) So long as the conditions in Paragraph **2**. are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph **B.1.b.(2)** Exclusions in **Section II – Liability**, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:

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

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

2. Medical Expenses

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

1) On premises you own or rent;

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

3) Because of your operations;

provided that:

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

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

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

b. We will make these payments regardless of fault. These payments will not exceed the Limits of Insurance of **Section II – Liability**. We will pay reasonable expenses for:

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

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

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

4) Preventative treatment, medication or inoculations made necessary due to discovery of, suspicion of, or exposure to communicable disease or contaminated products at the described premises.

B. Exclusions

1. Applicable To Business Liability Coverage

This insurance does not apply to:

a. Expected Or Intended Injury

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

b. Contractual Liability

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

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

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

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

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

c. Liquor Liability

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

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

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

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

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

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

b) Providing or failing to provide transportation with respect to any person that may be under the influence of alcohol if the "occurrence" which caused the "bodily injury" or "property damage", involved that which is described in Paragraph (1), (2) or (3) above.

This exclusion applies only if you:

1) Manufacture, sell or distribute alcoholic beverages;

2) Serve or furnish alcoholic beverages for a charge whether or not such activity:

a) Requires a license;

b) Is for the purpose of financial gain or livelihood; or

3) Serve or furnish alcoholic beverages without a charge, if a license is required for such activity.

4) Permit any person to bring any alcoholic beverages on your premises for consumption on your premises.

d. Workers' Compensation And Similar Laws

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

e. Employer's Liability

"Bodily Injury" to:

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

a) Employment by the insured; or

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

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

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

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

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f. Pollution

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

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

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

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

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

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

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

i) Any insured; or

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

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

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

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

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

e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat,

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detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

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

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

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

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

g. Aircraft, Auto Or Watercraft

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

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

This exclusion does not apply to:

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

2) A watercraft you do not own that is:

a) Less than 51 feet long; and

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

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

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

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

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

b) The operation of any of the following machinery or equipment:

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

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

h. Mobile Equipment

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

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

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

i. War

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

1) War, including undeclared or civil war;

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

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

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j. Professional Services

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

1) Legal, accounting or advertising services;

2) Preparing, approving, or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications;

3) Supervisory, inspection or engineering services;

4) Medical, surgical, dental, x-ray or nursing services treatment, advice or instruction;

5) Any health or therapeutic service treatment, advice or instruction;

6) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming;

7) Optometry or optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;

8) Body piercing services; and

9) Services in the practice of pharmacy.

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

k. Damage To Property

"Property damage" to:

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

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

3) Property loaned to you;

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

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

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

Paragraphs **(1), (3)** and **(4)** of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Paragraph **D.** Liability And Medical Expenses Limit Of Insurance in **Section II – Liability.**

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

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

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

l. Damage To Your Product

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

m. Damage To Your Work

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

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

n. Damage To Impaired Property Or Property Not Physically Injured

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

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

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

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

o. Recall Of Products, Work Or Impaired Property

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

1) "Your product";

2) "Your work"; or

3) "Impaired property";

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

p. Personal And Advertising Injury

"Personal and advertising injury":

1) Caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury";

2) Arising out of oral or written publication, in any manner, of material, if done by or at the direction of the insured with knowledge of its falsity;

3) Arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the policy period;

4) For which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement;

5) Arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement";

6) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement";

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7) Arising out of the wrong description of the price of goods, products or services stated in your "advertisement";

8) Committed by an insured whose business is:

a) Advertising, broadcasting, publishing or telecasting;

b) Designing or determining content of web-sites for others; or

c) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs **14.a., b.** and **c.** of "personal and advertising injury" under Paragraph **F.** Liability And Medical Expenses Definitions.

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

9) Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

10) With respect to any loss, cost or expense arising out of any:

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

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

11) Arising out of an electronic chatroom or bulletin board the insured hosts, owns or over which the insured exercises control.

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

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

13) Arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatags, or any other similar tactics to mislead another's potential customers.

q. Electronic Data

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

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

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

r. Criminal Acts

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

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

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

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

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

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

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

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Exclusions **c., d., e., f., g., h., i., k., l., m., n**. and **o**. in **Section II – Liability** do not apply to damage by fire to premises while rented to you, or temporarily occupied by you with permission of the owner. A separate Damage To Premises Rented To You Limit of Insurance applies to this coverage as described in Paragraph D. Liability And Medical Expenses Limits of Insurance in Section II – Liability.

2. Applicable To Medical Expenses Coverage

We will not pay expenses for "bodily injury":

a. To any insured, except "volunteer workers".

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

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

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

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

f. Included within the "products – completed operations hazard".

g. Excluded under Business Liability Coverage.

h. To the extent that medical or dental expenses are payable under:

1) Any other medical payments insurance

2) Any form of accident, sickness or health insurance; or

3) Any form of welfare benefit plan including Federal and State plans and plans established under the Employee Retirement Income Security Act (ERISA).

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

This insurance does not apply:

a. Under Business Liability Coverage, to "bodily injury" or "property damage":

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

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

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

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

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

c. Under Business Liability Coverage, to "bodily injury" or "property damage" resulting from the "hazardous properties" of the "nuclear material"; if:

1) The "nuclear material":

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

b) Has been discharged or dispersed therefrom;

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

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

d. As used in this exclusion:

1) "By-product material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;

2) "Hazardous properties" include radioactive, toxic or explosive properties;

3) "Nuclear facility" means:

a) Any "nuclear reactor";

b) Any equipment or device designed or used for:

i) Separating the isotopes of uranium or plutonium;

ii) Processing or utilizing "spent fuel"; or

iii) Handling, processing or packaging "waste";

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

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

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

4) "Nuclear material" means "source material", "special nuclear material" or "by-product material";

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

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

7) "Source material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;

8) "Special nuclear material" has the meaning given it in the Atomic Energy Act of 1954 or in any law amendatory thereof;

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

10) "Waste" means any waste material:

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

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

C. Who Is An Insured

1. If you are designated in the Declarations as:

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

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

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

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

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

2. Each of the following is also an insured:

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

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

a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;

b) To the spouse, child, parent, brother or sister of that co-"employee" as a consequence of Paragraph **(a)** above;

c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs **(a)** or **(b)**; or

d) Arising out of his or her providing or failing to provide professional health care services.

2) "Property damage" to property:

a) Owned, occupied or used by,

b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

c. Any person or organization having proper temporary custody of your property if you die, but only:

1) With respect to liability arising out of the maintenance or use of that property; and

2) Until your legal representative has been appointed.

d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this policy.

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

D. Liability And Medical Expenses Limits Of Insurance

1. The Limits of Insurance of **Section II – Liability** shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

a. Insureds;

b. Claims made or "suits" brought; or

c. Persons or organizations making claims or bringing "suits".

2. The most we will pay for the sum of all damages because of all:

a. "Bodily injury", "property damage" and medical expenses arising out of any one "occurrence"; and

b. "Personal and advertising injury" sustained by any one person or organization;

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

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

4. Aggregate Limits

The most we will pay for:

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a. All "bodily injury" and "property damage" that is included in the "products-completed operations hazard" is the Products/ Completed Operations Aggregate shown in the Declarations.

b. All:

1) "Bodily injury" and "property damage" except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard";

2) Plus medical expenses;

3) Plus all "personal and advertising injury" caused by offenses committed;

is the Other Than Products/Completed Operations Aggregate shown in the Declarations.

c. Aggregate limits apply separately to:

1) Each of your projects away from premises owned by or rented to you; and

2) Each of your “locations” owned or rented to you.

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

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

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

E. Liability And Medical Expenses General Conditions

1. Bankruptcy

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

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

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

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

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

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

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

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

2) Notify us as soon as practicable.

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

c. You and any other involved insured must:

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

2) Authorize us to obtain records and other information;

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

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

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

3. Legal Action Against Us

No person or organization has a right under this policy:

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

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

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

4. Separation Of Insureds

Except with respect to the Limits of Insurance of **Section II – Liability,** and any rights or duties specifically assigned in this policy to the first Named Insured, this insurance applies:

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

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

F. Liability And Medical Expenses Definitions

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

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

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

2. “Auto" means:

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

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

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

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

4. "Coverage territory" means:

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

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

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

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

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

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

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

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

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

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

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

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

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

if such property can be restored to use by:

1) The repair, replacement, adjustment or removal of "your product" or "your work"; or

2) Your fulfilling the terms of the contract or agreement.

9. "Insured contract" means:

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

b. A sidetrack agreement;

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

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

e. An elevator maintenance agreement;

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

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

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

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

a) Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or

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

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

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

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

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

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

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

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

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

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

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

c. Vehicles that travel on crawler treads;

d. Vehicles, whether self-propelled or not, on which are permanently mounted:

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

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

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

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

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

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

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

1) Equipment designed primarily for:

a) Snow removal;

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

c) Street cleaning;

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

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

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

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

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

a. False arrest, detention or imprisonment;

b. Malicious prosecution;

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

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

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

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

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

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

16. "Products – completed operations hazard":

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

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

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

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

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

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

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

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

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

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

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

17. "Property damage" means:

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

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

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

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

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18. "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.

19. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

20. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

21. "Your product":

a. Means:

1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

a) You;

b) Others trading under your name; or

c) A person or organization whose business or assets you have acquired; and

2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

b. Includes:

1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and

2) The providing of or failure to provide warnings or instructions.

c. Does not include vending machines or other property rented to or located for the use of others but not sold.

22. "Your work":

a. Means:

1) Work or operations performed by you or on your behalf; and

2) Materials, parts or equipment furnished in connection with such work or operations.

b. Includes:

1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and

2) The providing of or failure to provide warnings or instructions.

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BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM

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

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

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

A. Coverage

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

1. Covered Property

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

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

(1) Completed additions;

(2) Fixtures, including outdoor fixtures;

(3) Permanently installed:

(a) Machinery; and

(b) Equipment;

(4) Your personal property in apartments, rooms or common areas furnished by you as landlord;

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

(a) Fire extinguishing equipment;

(b) Outdoor furniture;

(c) Floor coverings; and

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

(6) If not covered by other insurance:

(a) Additions under construction, alterations and repairs to the buildings or structures

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

b. Business Personal Property located in or on the buildings at the described premises or in the open (or in a vehicle) within 100 feet of 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 Loss Payment Property Loss Condition **E.5.d.(3)(b)**;

(3) Tenant's improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions:

(a) Made a part of the building or structure you occupy but do not own; and

(b) You acquired or made at your expense but cannot legally remove;

(4) Leased personal property which you have a contractual responsibility to insure, unless otherwise provided for under Paragraph **A.1.b.(2)**. ; and

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

2. Property Not Covered

Covered Property does not include:

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

b. "Money" or "securities" except as provided in coverages:

(1) Crime Optional Coverage;

(2) Employee Dishonesty Optional Coverage;

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

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d. Bridges, roadways, walks, pavement, driveways, parking lots, exterior nonstructurally attached concrete surfaces or other paved surfaces.

e. Land (including land on which the property is located), water, growing crops or lawns (other than lawns which are part of a vegetated roof);

f. Outdoor fences, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, signs, trees, shrubs or plants (other than lawns which are part of a vegetated roof), all except:

(1) Coverage provided under the Outdoor Property Coverage Extension; or

(2) Coverage provided under the Outdoor Signs Optional Coverage; or

(3) Signs structurally attached to covered buildings (wiring or cable is not considered structural attachment).

g. Watercraft (including motors, equipment and accessories) while afloat.

h. Accounts, bills, food stamps, other evidences of debt, accounts receivable or "valuable papers and records", except as otherwise provided in this policy.

i. "Computer(s)" which are permanently installed or designed to be permanently installed in any aircraft, watercraft, motortruck, or other vehicle subject to motor vehicle registration. This paragraph does not apply to "computer(s)" while held as "stock".

j. Piers, wharves and docks

k. Electronic Data", except as provided under Additional Coverages – Electronic Data or Additional Coverage – Equipment Breakdown. This Paragraph **(k.)** does not apply to your stock of prepackaged software, or to "electronic data" which is integrated in and operates or controls a building's elevator, lighting, heating, ventilation, air conditioning or security system.

3. Covered Causes Of Loss

Direct Physical Loss unless the loss is excluded or limited under this coverage form.

4. Limitations

a. We will not pay for loss of or damage to:

(1) Property that is missing, where the only evidence of the loss or damage is a shortage disclosed on taking inventory, or other instances where there is no physical evidence to show what happened to the property. This limitation does not apply to the Crime or Employee Dishonesty Optional Coverage.

(2) Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions. This limitation does not apply to the Crime or Employee Dishonesty Optional Coverage.

(3) The interior of any building or structure, or to personal property in the building or structure, including business personal property, caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless:

(a) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or

(b) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.

b. 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 or exterior of a building or structure;

(2) Containers of property held for sale; or

(3) Photographic or scientific instrument lenses.

c. For loss or damage by theft, the following types of property are covered only up to the limits shown (unless a higher Limit Of Insurance is shown in the Declarations):

(1) $2,500 for furs, fur garments and garments trimmed with fur.

(2) $2,500 for jewelry, watches, watch movements, jewels, pearls, precious and 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.

(3) $2,500 for patterns, dies, molds and forms.

d. We will pay for loss or damage to animals or pets only if caused by "specified causes of loss."

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5. Additional Coverages

a. Debris Removal

(1) Subject to Paragraphs **(2), (3)** and **(4)**, we will pay your expense to remove debris of Covered Property and other debris that is on the described premises, when such debris is caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of direct physical loss or damage.

(2) Debris Removal does not apply to costs to:

(a) Remove debris of property of yours that is not insured under this policy, or property in your possession that is not Covered Property;

(b) Remove debris of property owned by or leased to the landlord of the building where your described premises are located, unless you have a contractual responsibility to insure such property and it is insured under this policy.

(c) Remove any property that is Property Not Covered, Including property addressed under the Outdoor Property Coverage Extension

(d) Remove property of others of a type that would not be Covered Property under this policy

(e) Remove deposits of mud or earth from the grounds of the described premises

(f) Extract "pollutants" from land or water

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

(3) Subject to the exceptions in Paragraph **(4)**, the following provisions apply:

(a) The most that we will pay for the total of direct, physical loss or damage plus debris removal expense is the Limit of Insurance applicable to the Covered Property that has sustained loss or damage.

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

(4) Unless a higher limit is shown in the Declarations, we will pay up to an additional $25,000 for debris removal expense, for each location, in any one occurrence of physical loss or damage to Covered Property, if one or both of the following circumstances apply:

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

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

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

(4) Example #1

Limit of Insurance	$200,000
Amount of Deductible	$ 500
Amount of Loss	$125,000
Amount of Loss Payable	$124,500 ($125,000-$500)
Debris Removal Expense	$20,000
Removal Expense Payable	$20,000 ($20,000 is 16% of $125,000)

The debris removal expense is less than 25% of the sum of the loss payable plus the deductible. The sum of the loss payable and the debris removal expense ($124,500 + $20,000 = $144,500) is less than the Limit of Insurance. Therefore the full amount of debris removal expense is payable in accordance with the terms of Paragraph **(3)**.

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Example #2

Limit of Insurance	$200,000
Amount of Deductible	$ 500
Amount of Loss	$170,000
Amount of Loss Payable	$169,500 ($170,000-$500)
Debris Removal Expense	$60,000
Removal Expense Payable Basic Amount	$30,500
Additional Amount	$25,000

The basis amount payable for debris removal expense under the terms of Paragraph (3) is calculated as follows:

$170,000 ($169.000 + $500) X .25 = $42,500; capped at $30,500. The cap applies because the sum of the loss payable ($169,500) and basic amount payable for debris removal expense ($30,500) cannot exceed the Limit of Insurance ($200,000).

The additional amount payable for debris removal expense is provided in accordance with the terms of Paragraph **(4)**, because the debris removal expense ($60,000) exceeds 25% of the loss payable plus the deductible ($60,000 is 35.3% of $170,000), and because the sum of the loss payable and debris removal expense ($169,500 + $60,000 = $229,500) would exceed the Limit of Insurance ($200,000). The additional amount of covered debris removal expense is $25,000, the maximum payable under Paragraph **(4)**. Thus the total payable for debris removal expense in this example is $55,500; $4,500 of the debris removal expense is not covered.

b. Preservation Of Property

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

(1) While it is being moved or while temporarily stored at another location; and

(2) Only if the loss or damage occurs within 30 days after the property is first moved.

c. Fire Department Service Charge

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to $5,000 for service at each premises described in the Declarations, unless a different limit is shown in the Declarations. Such limits is the most we will pay regardless of the number of responding fire departments or fire units, and regardless of the number or type of services performed. This Additional Coverage applies to your liability for fire department service charges:

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

(2) Required by local ordinance.

d. Collapse

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

(1) For the purpose of this Additional Coverage- Collapse, abrupt collapse means an abrupt falling down or caving in of a building with the result that the building or part of the building cannot be occupied for its intended purpose

(2) We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that is insured under this policy or that contains Covered Property insured under this policy, if such collapse is caused by one or more of the following:

(a) Building Decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;

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

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

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

(i) A cause of loss listed in paragraphs **(2)(a)** or **(2)(b)**;

(ii) One or more of the specified causes of loss;

(iii) Breakage of building glass

(iv) Weight of the people or personal property; or

(v) Weight of rain that collects on a roof

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

(a) A building or any part of a building that is in danger of falling down or caving in

(b) A part of a building that is standing, even if it has separated from another part of the building; or

(c) A building that is standing or any part of a building that is standing even if it shows evidence of cracking, bulging, sagging bending, leaning, settling, shrinkage or expansion

(4) With respect to the following property:

(a) Awnings;

(b) Gutters and downspouts;

(c) Yard fixtures;

(d) Outdoor swimming pools;

(e) Beach or diving platforms or appurtenances;

(f) Retaining walls

(g) Sewer and water lateral pipes;

(h) Drainage tile; and

(i) Septic systems.

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

(5) If personal property abruptly falls down or caves in and such collapse is not the result of collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:

(a) The collapse of personal property was caused by a cause of loss listed in Paragraphs **(2)(a)** through **(2)(d) o**f this Additional Coverage;

(b) The personal property which collapses is inside a building; and

(c) The property which collapses is not of a kind listed in Paragraph **(3)** above, regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph **(4)** does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

Collapse of personal property does not mean cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

(6) This Additional Coverage- Collapse does not apply to personal property that has not abruptly fallen down or caved in, even if the personal property shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion

(7) This Additional Coverage, Collapse, will not increase the Limits of Insurance provided in this policy.

(8) The term Covered Cause of Loss includes the Additional Coverage- Collapse as described and limited in paragraphs d.(1) through d.(7)

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

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

We will not pay the cost to repair any defect that caused the loss or damage.

f. Fire Extinguishing Equipment

Subject to the applicable Limit of Insurance, we will pay the cost to repair or replace damaged parts, including system recharge, 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.

g. Business Income

(1) Business Income

(a) We will pay for the actual loss of Business Income you sustain due to the necessary suspension of your "operations" during the "period of restoration". The suspension must be caused by direct physical loss of or damage to covered property at the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss. With respect to loss of or damage to personal property in the open or personal property in a vehicle, the described premises include the area within 100 feet of such premises. With respect to the requirements set forth in the preceding paragraph, if you occupy only part of the site at which the described premises are located, your premises means:

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(i) The portion of the building which you rent, lease or occupy;

(ii) Any area within the building or at the described premises if that area services, or is used to gain access to, the portion of the building which you rent lease or occupy.

(b) We will only pay for loss of Business Income that you sustain during the "period of restoration" and that occurs within 12 consecutive months after the date of direct physical loss or damage.

(c) Business Income means the:

(i) Net Income (Net Profit or Loss before income taxes) that would have been earned or incurred if no physical loss or damage had occurred, but not including any Net Income that would likely have been earned as a result of an increase in the volume of business due to favorable business conditions caused by the impact of the Covered Cause of Loss on customers or on other businesses; and

(ii) Continuing necessary operating expenses incurred.

(2) Extended Business Income

If the necessary suspension of your "operations" produces a Business Income loss payable under this policy, we will pay for the actual loss of Business Income you incur during the period that:

(a) Begins on the date property except finished stock is actually repaired, rebuilt or replaced and "operations" are resumed; and

(b) Ends on the earlier of:

(i) The date you could restore your "operations", with reasonable speed, to the level which would generate the Business Income amount that would have existed if no direct physical loss or damage had occurred; or

(ii) 60 consecutive days after the date determined in Paragraph **(2)(a)** above, unless a greater number of consecutive days is shown in the Declarations.

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

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

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

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

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

(4) This Additional Coverage is not subject to the Limits of Insurance of **Section I – Property**.

h. Extra Expense

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

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

(a) The portion of the building which you rent, lease or occupy;

(b) Any area within the building or at the described premises, if that area services, or is used to gain access to, the portion of the building which you rent, lease or occupy.

(2) Extra Expense means expense incurred:

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

(i) At the described premises; or

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(ii) At replacement premises or at temporary locations, including relocation expenses, and costs to equip and operate the replacement or temporary locations.

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

(c) To:

(i) Repair or replace any property; or

(ii) Research, replace or restore the lost information on damaged "valuable papers and records"

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

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

or

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

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

We will pay for Extra Expense only to the extent it reduces the amount of loss that otherwise would have been payable under Additional Coverage **g.** Business Income.

i. Customer Expense Reimbursement

We will pay necessary costs to reimburse additional expenses incurred by your customers because your products or services, which were ordered in advance, were not available due to direct physical loss or damage to covered property at the described premises caused by a Covered Cause of Loss.

Customer expenses mean the additional cost incurred by persons for whom prearranged products or services cannot be honored. These expenses include costs to secure alternative products or services which are comparable to yours.

We will pay for expenses incurred for the period of time:

(1) Beginning on the date of the customer's prearranged services or products are:

(a) scheduled to be delivered but cannot;

(b) or are interrupted by direct physical loss or damage to covered property, whichever is later; and

(2) Ending on the earliest of the following dates:

(a) the date prearranged services or products are scheduled to end;

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

(c) 14 days after the date determined in **(1)** above.

This Additional Coverage is not subject to the Limits of Insurance.

j. Pollutant Clean Up And Removal

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

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

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

k. Civil Authority

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

(1) Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the described premises are within the area; and

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(2) The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the Covered Cause of Loss that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property

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

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

(1) Four consecutive weeks after the time of that action; or

(2) When your Civil Authority coverage for Business Income ends; whichever is later.

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

l. Violent Acts

(1) If your "operations" are suspended due to "violent acts" which occur on the described premises we will pay for the actual loss of Business Income and Extra Expense you sustain. Coverage for the actual loss of Business Income under this section will begin immediately upon the suspension of your business operations and will continue for a period not to exceed a total of three consecutive weeks after coverage begins.

Coverage for necessary Extra Expense under this section will likewise begin immediately upon the suspension of your business operations and will continue only for a total of three consecutive weeks after coverage begins, or until the loss of Business income coverage ends, whichever is longer. The coverages under this section may not be extended or repeated.

The definitions of Business Income and Extra Expense, contained in the Business Income and Extra Expense Additional Coverages section shall also apply to the additional coverages under this section.

(2) Additional Definitions

(a) "Violent acts" means actual, attempted, or threatened acts committed with malicious intent on your "covered premises" against any person(s) that result in physical injury or death to such person(s). This does not apply to actual, attempted or threatened acts by an insured.

m. Contamination

If your "operations" are suspended due to "contamination":

(1) We will pay for your costs to clean and sanitize your premises, machinery and equipment, and expenses you incur to withdraw or recall products or merchandise from the market. We will not pay for the cost or value of the product.

The most we will pay for any loss or damage under this Additional Coverage arising out of the sum of all such expenses occurring during each separate policy period is $5,000; and

(2) We will also pay for the actual loss of Business Income and Extra Expense you sustain caused by

(a) "Contamination" that results in an action by a public health or other governmental authority that prohibits access to the described premises or production of your product.

(b) "Contamination threat"

(c) "Publicity" resulting from the discovery or suspicion of "contamination".

Coverage for the actual loss of Business Income under this section will begin immediately upon the suspension of your business operations and will continue for a period not to exceed a total of three consecutive weeks after coverage begins.

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Coverage for necessary Extra Expense under this section will likewise begin immediately upon the suspension of your business operations and will continue only for a total of three consecutive weeks after coverage begins, or until the loss of Business Income coverage ends, whichever is longer. The coverages under this section may not be extended nor repeated. The definitions of Business Income and Extra Expense, contained in the Business Income and Extra Expense Additional Coverages section shall also apply to the additional coverages under this section.

(3) Contamination Exclusions

All exclusions and limitations apply except Exclusions **B.2.j.(2)** and **B.2.j.(5)**

(4) Additional Definitions:

(a) "Contamination" means a defect, deficiency, inadequacy or dangerous condition in your products, merchandise or premises.

(b) “Contamination threat” means a threat made by a third party against you to commit a “malicious contamination” unless the third party’s demand for money or other consideration is met.

(c) “Malicious contamination” means an intentional, malicious and illegal altercation or adulteration of your products

(d) “Publicity” means a publication or broadcast by the media, of the discovery or suspicion of "contamination" at a described premise.

n. Business Income from Dependent Properties

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

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

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

(a) Source of materials; or

(b) Outlet for your products.

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

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

(a) 3 consecutive weeks after the time of that action; or

(b) When your Business Income coverage ends; whichever is later.

The Business Income from Dependent Properties Additional Coverage is not subject to the Limits of Insurance.

(4) Additional Definitions:

(a) “Dependent Property” means property operated by others whom you depend on to:

(i) Deliver materials or services to you or to others for your account (Contributing Locations.) With respect to Contributing Locations, services does not mean water, supply services, wastewater removal services, communication supply services or power supply services;

(ii) Accept your products or services (Recipient Locations);

(iii) Manufacture products for delivery to your customers under contract of sale (Manufacturing Locations); or

(iv) Attract customers to your business (Leader Locations).

(b) “Secondary dependent property” means an entity which is not owned or operated by a dependent property, which:

(i) Delivers materials or services to a dependent property which in turn are used by the dependent property in providing materials or services to you or

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(ii) Accepts materials or services from a dependent property which in turn accepts your materials or services. A road, bridge, tunnel, waterway, airfield, pipeline, or any other similar area or structure is not a secondary dependent property. Any property which delivers any of the following services is not a secondary dependent property with respect to such services:

i. Water supply services

ii. Wastewater removal services

iii. Communication supply services; or

iv. Power supply services.

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

(c) "Period of Restoration," with respect to "dependent property," means the period of time that:

(i) Begins with the date of direct physical loss or damage caused by or resulting from a Covered Cause of Loss at the premises of the "dependent property" or secondary dependent property and

(ii) Ends on the date when the property at the premises of the "dependent property" or secondary dependent property should be repaired, rebuilt or replaced with reasonable speed and similar quality.

(d) The definitions of Business Income and suspension contained in the Business Income Additional Coverage also apply to this Business Income From Dependent Properties Additional Coverage.

(5) "Period of restoration" does not include any increased period required due to the enforcement of or compliance with any ordinance or law that:

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

(b) Requires any insured or others to test for, monitor, clean up, remove, 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."

o. Ordinance or Law

(1) This Additional Coverage applies only to building or tenant's improvements and betterments insured on a replacement cost basis.

(2) If a Covered Cause of Loss occurs to covered Building property or tenant's improvements and betterments, we will pay:

(a) For loss or damage caused by enforcement of any law that:

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

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

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

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

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

(3) We will not pay for increased construction costs under this Additional Coverage:

(a) Until the property is actually repaired or replaced, at the same premises or elsewhere; and

(b) Unless the repairs or replacement are made as soon as reasonably possible after loss or damage, not to exceed 2 years. We may extend this period in writing during the 2 years.

(4) We will not pay more:

(a) If the property is repaired or replaced on the same premises, than the amount you actually spend to:

(i) Demolish and clear the site; and

(ii) Repair rebuild or construct the property but not for more than property of the same height, floor area and style on the same premises.

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(b) The terms of this Additional Coverage apply separately to each building listed in the Declarations.

(5) The most we will pay under this Additional Coverage, for each described premises insured under this Coverage Form, is:

(a) $50,000

(b) The Limit of Insurance for Building if Applied to building; or

(c) The Limit of Insurance for Business Personal Property if applied to tenant's improvements and betterments.

Whichever is less.

The amount payable under this Additional Coverage is additional insurance.

(6) This Additional Coverage is not subject to the terms or the Ordinance or Law Exclusion to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.

(7) The costs addressed in the Loss Payment Property Loss Condition in this Coverage Form do not include the increased cost attributable to enforcement of an ordinance or law. The amount payable under this Additional Coverage, as stated in **n.(5)** of this Additional Coverage, is not subject to such limitation.

p. Glass Expenses

(1) We will pay for expenses incurred to put up temporary plates or board up openings if repair or replacement of damaged glass is delayed.

(2) We will pay for expenses incurred to remove or replace obstructions when repairing or replacing glass that is part of a building. This does not include removing or replacing window displays.

q. Equipment Breakdown

(1) We will pay for loss caused by or resulting from an "Equipment Breakdown."

(2) The following coverages also apply to loss caused by or resulting from "Equipment Breakdown". These coverages do not provide additional amounts of insurance.

(a) Expediting Expenses

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

(i) Make temporary repairs; and

(ii) Expedite permanent repairs or permanent replacement.

(b) Hazardous Substances

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

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

The most we will pay for loss or damage under this coverage, including actual loss of Business Income you sustain, necessary Extra Expense you incur is $100,000 or the Limit of Insurance for Building or Business Personal Property, whichever is less.

(c) Computer Equipment

We will pay for loss or damage caused by or resulting from "Equipment Breakdown" to "computer(s)."

(d) Data Restoration

We will pay for your cost to research, replace and restore data, including programs and operating systems that is lost or corrupted due to "Equipment Breakdown". The most we will pay for loss or damage under this coverage is $100,000 or the Limit of Insurance for Business Personal Property, whichever is less.

(e) CFC Refrigerants

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

(i) Repair the damaged property and replace any lost CFC refrigerant;

(ii) Repair the damaged property, retrofit the system to accept a non-CFC refrigerant and charge the system with a non-CFC refrigerant; or

(iii) Replace the system with one using a non-CFC refrigerant.

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

(3) Equipment Breakdown Exclusions

(a) All exclusions and limitations apply except Exclusion **B.1.e.**, Power Failure and **B.2.m.**, Electrical Disturbance.

(b) The exclusions are modified as follows:

The following is added to Exclusion **B.1.g.(1)**:

However, if electrical Covered Property requires drying out because of the above, we will pay for the direct expenses of such drying out subject to the applicable Limit of Insurance and deductible for Building or Business Personal Property, whichever applies.

(c) Coverage Extension **6.e. Valuable Papers and Records** does not apply to this Additional Coverage.

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

(i) Your failure to use all reasonable means to protect the "perishable stock" from damage following "Equipment Breakdown";

(ii) Any defect, virus, loss of data or other situation within "electronic data." But if loss or damage from "Equipment Breakdown" results, we will pay for that resulting loss or damage; or

(iii) Any of the following tests:

A hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel; or

An insulation breakdown of any type of electrical equipment.

(4) Conditions

(a) Suspension

When any Covered Property is found to be in, or exposed to a dangerous condition, any of our representatives may immediately suspend the insurance against loss from "Equipment Breakdown" to that Covered Property. We can do this by mailing or delivering a written notice of suspension to your address as shown in the Declarations, or at the address where the equipment is located. Once suspended in this way, your insurance can be reinstated only by an endorsement for that Covered Property. If we suspend your insurance, you will get a pro rata refund of premium. But the suspension will be effective even if we have not yet made or offered a refund.

(b) Jurisdictional Inspections

If any property that is Covered Property requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf.

(c) Environmental, Safety and Efficiency Improvements

If Covered Property requires replacement due to "Equipment Breakdown" we will pay your additional cost to replace with equipment that is better for the environment, safer or more efficient than the equipment being replaced.

However, we will not pay more than 125% of what the cost would have been to repair or replace with like kind and quality. This condition does not increase any of the applicable limits. This condition does not apply to any property to which Actual Cash Value applies.

The definitions of Business Income and Extra Expense contained in the Business Income and Extra Expense Additional Coverages also apply to this Equipment Breakdown Additional Coverage.

The most we will pay for loss or damage under this Additional Coverage is the applicable Limit of Insurance shown in the Declarations. Coverage provided under this Additional Coverage does not provide an additional amount of insurance.

r. Service Interruption

(1) We will pay for loss of Business Income or Extra Expense at the described premises caused by the interruption of service to the described premises. The interruption must result from direct physical loss or damage by a Covered Cause of Loss to the following property:

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(a) Pumping stations and water mains supplying water to the described premises.

(b) Wastewater Removal Property, meaning a utility system for removing wastewater and sewage from the described premises, other than a system designed primarily for draining storm water. The utility property includes sewer mains, pumping stations and similar equipment for moving the effluent to a holding, treatment or disposal facility, and includes such facilities. Coverage does not apply to interruption in service caused by or resulting from a discharge of water or sewage due to heavy rainfall or flooding.

(c) Property supplying communication services including telephone, radio, microwave or television services, to the described premises, such as:

- Communication transmission lines;
- Coaxial cables; and
- Microwave radio relays except satellites.

(d) The following types of property supplying electricity, steam or gas to the described premises:

- Utility generating plants;
- Switching Stations;
- Substations;
- Transformers; and
- Transmission lines.

s. Electronic Data

(1) Subject to the provisions of this Additional

Coverage, we will pay for the cost to replace or restore your “electronic data” which has been destroyed or corrupted by a Covered Cause of Loss. To the extent that “electronic data” is not replaced or restored, the loss will be valued at the cost of replacement of the media on which the “electronic data” was stored, with blank media of substantially identical type.

(2) Unless a higher limit is shown in the Declarations, the most we will pay under this Additional Coverage. Electronic Data for all loss or damage sustained in any one policy year, regardless of the number of occurrences of loss or damage or the number of premises, locations or computer systems involved, is $100,000 or the Limit of Insurance for Business Personal Property, whichever is less. If loss payment on the first occurrence does not exhaust this amount, then the balance is available for subsequent loss or damage sustained in, but not after, that policy year. With respect to an occurrence which begins in one policy year and continues or results in additional loss or damage in a subsequent policy year(s), all loss or damage is deemed to be sustained in the policy year in which the occurrence began.

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

t. Interruption Of Computer Operations

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

(2) With respect to the coverage provided under this Additional Coverage, the Covered Causes of Loss are subject to the following:

(a) Coverage under this Additional Coverage, Interruption

Of Computer Operations, is limited to the "specified causes of loss" and Collapse.

(b) If the Businessowners Coverage Form is endorsed to add a Covered Cause of Loss, the additional Covered Cause of Loss does not apply to the coverage provided under this Additional Coverage.

(3) This Additional Coverage, Interruption Of Computer Operations, will begin immediately upon suspension of “operations” and will apply for a period of up to three consecutive weeks after coverage begins.

(4) This Additional Coverage Interruption Of Computer Operations does not apply to loss sustained or expense incurred after the end of the “period of restoration”, even if the period of time stated in **(3)** above has not been exhausted.

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(5) Coverage for Business Income does not apply when a suspension of "operations" is caused by destruction or corruption of "electronic data", or any loss or damage to "electronic data", except as provided under Paragraphs **(1)** through **(4)** of this Additional Coverage.

(6) Coverage for Extra Expense does not apply when action is taken to avoid or minimize a suspension of "operations" caused by destruction or corruption of "electronic data", or any loss or damage to "electronic data", except as provided under Paragraphs **(1)** through **(4)** of this Additional Coverage.

(7) This Additional Coverage does not apply when loss or damage to "electronic data" involves only "electronic data" which is integrated in and operates or controls a building's elevator, lighting, heating, ventilation, air conditioning or security system.

6. Coverage Extensions

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

Except as otherwise provided, the following Extensions apply to property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises, unless a higher Limit of Insurance is shown in the Declarations.

a. Newly Acquired Or Constructed Property

(1) Buildings

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

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

(b) Buildings you acquire at the premises other than the one described, intended for:

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

(ii) Use as a warehouse.

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

(2) Business Personal Property

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

(a) Business Personal Property including such property that you newly acquire at any location you acquire; or

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

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

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

(3) Period of Coverage

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

(a) This policy expires;

(b) 30 days expire after you acquire or begin construction of that part of the building that would qualify as covered property; or

(c) You report values to us.

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

b. Personal Property Off Premises

You may extend the insurance that applies to Business Personal Property to apply to covered Business Personal Property, other than "money" and "securities", "valuable papers and records", accounts receivable or items leased or rented to others, while it is in the course of transit or temporarily at a premises you do not own, lease, or operate. This coverage does not apply to property at contractor job sites which you do not own or lease. The most we will pay for loss or damage under this Extension is $25,000.

c. Outdoor Property

You may extend the insurance provided by this policy to apply to your outdoor fences, radio and television antennas (including satellite dishes), light poles, yard fixtures, decks, patios, signs (other than signs structurally attached to covered buildings), trees, shrubs and plants (other than trees, shrubs or plant which are part of a vegetated roof), including debris removal expense. Loss or damage must be caused by or resulting from any Covered Cause of Loss.

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The most we will pay for loss or damage under this Extension is $10,000 unless a higher Limit of Insurance for Outdoor Property is shown in the Declarations but not more than $1,000 for any one tree, shrub or plant.

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

d. Outdoor Signs Away from Premises

You may extend the insurance provided by this policy to apply to your outdoor signs away from premises described in the Declarations caused by or resulting from any Covered Cause of Loss.

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

e. Personal Effects

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

(1) Tools or equipment used in your business;

(2) Loss or damage by theft; or

(3) Personal effects contained in a dwelling or living quarters.

The most we will pay for loss or damage under this Extension is $10,000 at each described premises.

f. "Valuable Papers And Records"

(1) You may extend the insurance that applies to Business Personal Property to apply to direct physical loss or damage to "valuable papers and records" that you own, or that are in your care, custody or control caused by or resulting from a Covered Cause of Loss. This Coverage Extension includes the cost to research, replace or restore lost information on "valuable papers and records" for which duplicates do not exist.

(2) This Coverage Extension does not apply to:

(a) Property held as samples or for delivery after sale;

(b) Property in storage away from the premises shown in the Declarations;

(3) The most we will pay under this Coverage Extension for loss or damage to "valuable papers and records" in any one occurrence at the described premises is $10,000, unless a higher Limit of Insurance for "valuable papers and records" is shown in the Declarations.

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

(4) Loss or damage to "valuable papers and records" will be valued at the cost of restoration or replacement of the lost or damaged information. To the extent that the contents of the "valuable papers and records" are not restored, the "valuable papers and records" will be valued at the cost of replacement with blank materials of substantially identical type.

(5) Section **B. Exclusions of** this Coverage Form does not apply to this Coverage Extension except for:

(a) Paragraph **B.1.c.**, Governmental Action;

(b) Paragraph **B.1.d.**, Nuclear Hazard;

(c) Paragraph **B.1.f.**, War And Military Action;

(d) Paragraph **B.2.d.**, Dishonesty;

(e) Paragraph **B.2.e.**, False Pretense;

(f) Paragraph **B.2.k.(2)**, Errors or Omissions;

(g) Paragraph **B.2.**; and

(h) The Accounts Receivable and "Valuable Papers And Records" Exclusions.

g. 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

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(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 Coverage Extension for loss or damage in any one occurrence at the described premises is $10,000, unless a higher Limit of Insurance for accounts receivable is shown in the Declarations.

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

(3) Section **B. Exclusions** of this Coverage Form does not apply to this Coverage Extension except for:

(a) Paragraph **B.1.c.**, Governmental Action;

(b) Paragraph **B.1.d.**, Nuclear Hazard;

(c) Paragraph **B.1.f.**, War And Military Action;

(d) Paragraph **B.2.d.**, Dishonesty;

(e) Paragraph **B.2.e.**, False Pretense;

(f) Paragraph **B.3.**; and

(g) Paragraph **B.5.** Accounts Receivable Exclusions.

h. Business Personal Property Temporarily in Portable Storage Units

(1) You may extend the insurance that applies to Business Personal Property to apply to such property while temporarilystored in a portable storage unit (including a detached trailer) located within 100 feet of the described premises.

(2) The limitation under Paragraph **A.4.a.(3)** also applies to property in a portable storage unit.

(3) Coverage under this Extension:

(a) Will end 90 days after the Business Personal Property has been placed in the storage unit

(b) Does not apply if the storage unit itself has been in use at the described premises for more than 90 consecutive days, even if the Business Personal Property has been stored there for 90 or fewer days as of the time of loss or damage.

(4) Under this Extension, the most we will pay for the total of all loss or damage to Business Personal Property is $10,000 (unless a higher limit is indicated in the Declarations for such Extension) regardless of the number of storage units.

(5) This Extension does not apply to loss or damage otherwise covered under this Coverage Form or any endorsement to this Coverage Form, and does not apply to loss or damage to the storage unit itself.

B. Exclusions

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

a. Ordinance Or Law

The enforcement of or compliance with 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) Earthquake, including any earth sinking, rising, or shifting related to such an event;

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

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

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(4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

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

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

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

(a) Airborne volcanic blast or airborne shock waves;

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

(c) Lava flow.

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

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

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

c. Governmental Action

Seizure or destruction of property by order of governmental authority.

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

d. Nuclear Hazard

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

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

e. Utility Services

The failure of power, communication, water or other utility service supplied to the described premises, however caused, if the failure originates away from the described premises; or originates at the described premises, but only if such failure involves equipment used to supply the utility service to the described premises from a source away from the described premises. Failure of any utility service includes lack of sufficient capacity and reduction in supply.

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

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

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

f. War And Military Action

(1) War, including undeclared or civil war;

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

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

g. Water

(1) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);

(2) Mudslide or mudflow;

(3) Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment; or

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(4) Water under the ground surface pressing on, or flowing or seeping through:

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

(b) Basements, whether paved or not; or

(c) Doors, windows or other openings.

(5) Waterborne material carried or otherwise moved by any of the water referred to in Paragraphs **B.1.g.(1), B.1.g. (3), or B.1.g. (4)**, or material carried or otherwise moved by mudslide or mudflow.

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

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

h. Certain Computer-Related Losses

(1) The failure, malfunction or inadequacy of:

(a) Any of the following, whether belonging to any insured or to others:

(i) "Computer" hardware, including microprocessors or other electronic data processing equipment as may be described elsewhere in this policy;

(ii) "Computer" application software or other "electronic media and records" as may be described elsewhere in this policy;

(iii) "Computer" operating systems and related software;

(iv) "Computer" networks;

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

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

(b) Any other products and any services, data or functions that directly or indirectly use or rely upon, in any manner, any of the items listed in Paragraph **(a)** above;due to the inability to correctly recognize, distinguish, interpret or accept one or more dates or times. An example is the inability of computer software to recognize the year 2000.

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

However, if excluded loss or damage, as described in Paragraph **(1)** above results in a "Specified Cause of Loss" we will pay only for the loss or damage caused by such "Specified Cause of Loss."

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

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

a. Consequential Losses

Delay, loss of use or loss of market.

b. Smoke, Vapor, Gas

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

c. Frozen Plumbing

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

(1) For plumbing within a building or structure, 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.

d. Dishonesty

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

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This exclusion:

(1) Applies whether or not an act occurs during your normal hours of operation

(2) Does not apply to acts of destruction by your employees (including temporary or leased employees) or authorized representatives; but theft by your employees (including temporary or leased employees) or authorized representatives is not covered.

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

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

e. 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.

f. Exposed Property

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

g. Collapse

(1) Collapse, including any of the following conditions of property or any part of the property;

(a) An abrupt falling down or caving in

(b) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or

(c) Any cracking, bulging, sagging, bending, leaning, settling, shrinkage, or expansion as such condition relates to paragraphs **i.(1)(a)** or **i.(1)(b)**

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

(2) This Exclusion i. does not apply:

(a) To the extent that coverage is provided under the Additional Coverage Collapse; or

(b) To collapse caused by one or more of the following:

(i) The “specified causes of loss”

(ii) Breakage of building glass

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

(iv) Weight of people or personal property

h. Pollution

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

i. Neglect

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

j. Other Types Of Loss

(1) Wear and tear;

(2) Rust or other corrosion, ”fungi”, 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) The following causes of loss to personal property:

(a) Dampness or dryness of atmosphere;

(b) Changes in or extremes of temperature; or

(c) Marring or scratching.

But if an excluded cause of loss that is listed in Paragraphs **(1)** through **(6)** 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.

k. Errors Or Omissions

Errors or omissions in:

(1) Programming, processing or storing data, as described under “electronic data” or in any “computer” operations; or

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(2) Processing or copying "valuable papers and records".

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

l. Installation, Testing, Repair

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

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

m. Electrical Disturbance

Electrical or magnetic injury, disturbance, virus or erasure of "electronic data", except as provided for under A.5 Additional Coverages.

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

n. Continuous Or Repeated Seepage Or Leakage of Water

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

3. We will not pay for loss or damage caused by or resulting from any of the following **B.3.a**. through **B.3.c.** But if an excluded cause of loss that is listed in **B.3.a**. through **B.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 or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

c. Negligent Work

Faulty, inadequate or defective:

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

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

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

(4) Maintenance;

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

4. Business Income And Extra Expense Exclusions

a. We will not pay for:

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

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

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

(2) Any other consequential loss.

b. With respect to this exclusion, suspension means:

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

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

5. Accounts Receivable Exclusion

The following additional exclusion applies to the Accounts Receivable Extension:

We will not pay for:

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

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

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

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

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6. Additional Exclusion

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

Loss or Damage to Products

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

C. 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 amounts of insurance applicable to the Coverage Extensions and the following Additional Coverages apply in accordance with the terms of such coverages are in addition to the Limits of Insurance:

a. Fire Department Service Charge

b. Contamination

c. Ordinance or Law

d. Debris Removal

e. Pollutant Cleanup and Removal

3. Automatic Increase

a. In accordance with Paragraph **C.3.b.** the Limit of Insurance for Buildings and Business Personal Property will automatically increase by 4% unless a different percentage of annual increase is shown in the Declarations.

b. The amount of increase will be calculated as follows:

(1) Multiply the Building and Business Personal Property limits that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the Building and Business Personal Property limits, by

(a) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 3% is .03), times

(b) .04 if no percentage of annual increase is shown in the Declarations; and

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

Example:

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

The amount of increase is

$100,000 x .08 x 146 ÷ 365 = $3,200.

4. Business Personal Property Limit – Seasonal Increase

a. Subject to Paragraph 4.b., The Limit of Insurance for Business Personal Property is automatically increased by:

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

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

to provide for seasonal variances

b. The increase described in Paragraph 4.a will apply only if the Limit of Insurance shown for Business Personal Property in the Declarations is at least 100% of your average monthly values during the lesser of:

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

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

D. Deductibles

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

2. No deductible applies to the following Additional Coverages:

a. Fire Department Service Charge;

b. Business Income;

c. Extra Expense;

d. Civil Authority;

e. Customer Expense Reimbursement; and

f. Fire Extinguishing Equipment

g. Service Interruption

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E. Property Loss Conditions

1. Abandonment

There can be no abandonment of any property to us.

2. Appraisal

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

a. Pay its chosen appraiser; and

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

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

3. Duties In The Event Of Loss Or Damage

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

(1) Notify the police if a law may have been broken.

(2) Give us prompt notice of the loss or damage. Include a description of the property involved.

(3) As soon as possible, give us a description of how, when and where the loss or damage occurred.

(4) Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the 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. Legal Action Against Us

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

a. There has been full compliance with all of the terms of this insurance; and

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

5. Loss Payment

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

a. At our option, we will either:

(1) Pay the value of lost or damaged property;

(2) Pay the cost of repairing or replacing the lost or damaged property;

(3) Take all or any part of the property at an agreed or appraised value; or

(4) Repair, rebuild or replace the property with other property of like kind and quality, subject to **d.(1)** below.

b. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.

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

d. Except as provided in **(2)** through **(9)** below, we will determine the value of Covered Property as follows:

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

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(a) 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.

(b) 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 are made as soon as reasonably possible after the loss or damage.

However, if the cost to repair or replace the damaged property is $2,500 or less, we will settle the loss whether or not actual repair or replacement is complete.

(c) We will not pay more for loss or damage on a replacement cost basis than the least of:

(i) The Limit of Insurance that applies to the lost or damaged property.

(ii) The cost to replace, on the same premises, the lost or damaged property with other property:

1. Of comparable material and quality; and

2. Used for the same purpose; or

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

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

(2) If the Actual Cash Value option applies, as shown in the Declarations, paragraph **(1)** above does not apply to property specified. Instead, we will determine the value of property at actual cash value.

(3) The following property at actual cash value:

(a) Used or second-hand merchandise held in storage or for sale;

(b) Property of others. However, if 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 valuation option indicated in the Declarations (replacement cost/actual cash value) of the property or the applicable Limit of Insurance.

(c) Household contents, except personal property in apartments or rooms furnished by you as landlord;

(d) Manuscripts;

(e) Works of art; collectibles, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes porcelains and bric-a-brac.

(4) Glass at the cost of replacement with safety glazing material if required by law.

(5) Tenants' Improvements and Betterments at:

(a) Replacement cost if you make repairs promptly.

(b) A proportion of your original cost if you do not make repairs promptly. We will determine the proportionate value as follows:

(i) Multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and

(ii) Divide the amount determined in (i) above by the number of days from the installation of improvements to the expiration of the lease.

If your lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure.

(c) Nothing if others pay for repairs or replacement.

(6) Applicable only to the Optional Coverages:

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

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

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(7) The value of United States Government Internal Revenue taxes and custom duties and refundable state and local taxes paid or fully determined on the following property held for sale will not be considered in determining the value of Covered Property:

(a) Distilled spirits;

(b) Wines;

(c) Rectified products; or

(d) Beer

(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.

(9) Applicable only to Spoilage:

(a) For “perishable stock” you have sold but not delivered, at the selling price less discounts and expenses you otherwise would have had; and

(b) For other “perishable stock,” at Actual Cash Value.

e. Our payment for loss of or damage to personal property of others will only be for the account of the owners of the property. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.

f. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.

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

(1) We have reached agreement with you on the amount of loss; or

(2) An appraisal award has been made.

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

6. Recovered Property

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

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b. Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.

8. Vacancy

a. Description Of Terms

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

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

(b) When this policy is issued to the owner or general lessee of a building, building means the entire building. Such building is vacant unless at least 31% of its total square footage:

(i) Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; or

(ii) Used by the building owner to conduct customary operations.

(2) Buildings under construction or renovation are not considered vacant.

b. Vacancy Provisions

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

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

(a) Vandalism;

(b) Sprinkler leakage, unless you have protected the system against freezing;

(c) Building glass breakage;

(d) Water damage;

(e) Theft; or

(f) Attempted theft.

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

F. Property General Conditions

1. Control Of Property

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

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

2. Mortgageholders

a. The term "mortgageholder" includes trustee.

b. We will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the Declarations in their order of precedence, as interests may appear.

c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.

d. If we deny your claim because of your acts or because you have failed to comply with the terms of this policy, the mortgageholder will still have the right to receive loss payment if the mortgageholder:

(1) Pays any premium due under this policy at our request if you have failed to do so;

(2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and

(3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

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

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

(1) The mortgageholder's rights under the mortgage will be transferred to us to the extent of the amount we pay; and

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

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

f. If we cancel this policy, we will give written notice to the mortgageholder at least:

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(1) 10 days before the effective date of cancellation if we cancel for your nonpayment of premium; or

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

g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 10 days before the expiration date of this policy.

3. No Benefit To Bailee

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

4. Policy Period, Coverage Territory

Under this form:

a. We cover loss or damage commencing:

(1) During the policy period shown in the Declarations; and

(2) Within the coverage territory or, with respect to property in transit, while it is between points in the coverage territory.

b. The coverage territory is:

(1) The United States of America (including its territories and possessions);

(2) Puerto Rico; and

(3) Canada.

G. Optional Coverages

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

1. Outdoor Signs

a. We will pay for direct physical loss of or damage to all outdoor signs at the described premises:

(1) Owned by you; or

(2) Owned by others but in your care, custody or control.

b. Paragraph **A.3., Covered Causes Of Loss**, and Section **B., Exclusions**, do not apply to this Optional Coverage, except for:

(1) Paragraph **B.1.c.**, Governmental Action;

(2) Paragraph **B.1.d**., Nuclear Hazard; and

(3) Paragraph **B.1.f.**, War And Military Action.

c. We will not pay for loss or damage caused by or resulting from:

(1) Wear and tear;

(2) Hidden or latent defect;

(3) Rust; or

(4) Corrosion.

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

e. The provisions of this Optional Coverage supersede all other references to outdoor signs in this policy.

2. Crime

a. Money and Securities

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

(a) Theft, meaning any act of stealing;

(b) Disappearance; or

(c) Destruction.

(2) In addition to the Limitations and Exclusions applicable to property coverage, we will not pay for loss:

(a) Resulting from accounting or arithmetical errors or omissions;

(b) Due to the giving or surrendering of property in any exchange or purchase; or

(c) Of property contained in any "money" operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.

(d) Of property involved in the course of illegal transportation or trade; contraband.

(3) The most we will pay for loss in any one occurrence is:

(a) The limit shown in the Declarations for Money and Security - Inside the Premises while:

(i) In or on the described premises; or

(ii) Within a bank or savings institution; and

(b) The limit shown in the Declarations for Money and Security - Outside the Premises while anywhere else.

(4) All loss:

(a) Caused by one or more persons; or

(b) Involving a single act or series or related acts;

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is considered one occurrence.

(5) You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.

b. Money Orders and Counterfeit Money

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

(1) Money orders issued by any post office, express company or bank that are not paid upon presentation; or

(2) "Counterfeit money" that is acquired during the regular course of business.

The most we will pay for any one occurrence under this Optional Coverage is the Limit of Insurance for Money Orders and Counterfeit Money shown in the Declarations.

c. Forgery and Alteration

(1) We will pay for loss resulting directly from forgery or alteration of, any check, draft, promissory note, bill of exchange or similar written promise of payment in "money", that you or your agent has issued, or that was issued by someone who impersonates you or your agent.

(2) If you are sued for refusing to pay the check, draft, promissory note, bill of exchange or similar written promise of payment in "money", on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur in that defense.

(3) For the purpose of this coverage, check includes a substitute check as defined in the Check Clearing for the 21st Century Act, and will be treated the same as the original it replaced.

(4) The most we will pay for any one occurrence, including legal expenses, under this Optional Coverage is the Limit of Insurance for Forgery and Alterations shown in the Declarations.

d. Extortion

(1) We will pay for loss of Business Personal Property and "money" and "securities" resulting directly from "Extortion."

(2) The most we will pay for loss in any one occurrence is the applicable Limit of Insurance for Extortion shown in the Declarations.

(3) We will not pay for loss as specified below:

(a) Loss resulting from any dishonest or criminal act committed by any of your employees, directors, trustees, or authorized representatives:

(i) Acting alone or in collusion with other persons; or

(ii) While performing services for you or otherwise.

(b) Loss or property surrendered before a reasonable effort has been made to report an extortionist's demand to all the following:

(i) An associate;

(ii) The Federal Bureau of Investigation; and

(iii) Local law enforcement authorities.

(4) Loss is covered only if the threat to do bodily harm is first communicated to you during the Policy Period.

(5) Loss is covered only if the capture or alleged capture takes place within the United States of America, U.S. Virgin Islands, Puerto Rico or Canada.

The Coverage Territory General Conditions does not apply.

e. Computer Fraud

(1) We will pay for loss of or damage to Business Personal Property and "money" and "securities" resulting from theft (meaning any act of stealing) following and directly related to the use of any computer to fraudulently cause a transfer of property from inside the described premises or bank or savings institution to a person (other than you, any of your partners or any employee) outside the described premises.

(2) The most we will pay for loss in any one occurrence is the Limit of Insurance for Computer Fraud shown in the Declarations.

(3) We will not pay for loss as specified below:

(a) Loss resulting from any dishonest or criminal act committed by any of your employees, directors trustees or authorized representatives:

(i) Acting alone or in collusion with other persons; or

(ii) While performing services for you or otherwise.

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

(i) An inventory computation; or

(ii) A profit and loss computation.

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(4) Duties in the Event of Loss: If you have reason to believe that any loss of, or damage to, property involves a violation of law, you must notify law enforcement authorities.

f. Funds Transfer Fraud

(1) We will pay for loss of "funds" resulting directly from a "fraudulent instruction" directing a financial institution to transfer, pay or deliver "funds" from your "transfer account".

(2) "Fraudulent instruction" means:

(a) An electronic, telegraphic, cable, teletype, telefacsimile or telephone instruction which purports to have been transmitted by you, but which was in fact fraudulently transmitted by someone else without your knowledge or consent;

(b) A written instruction (other than those described in **2.c. Forgery and Alteration**) issued by you, which was forged or altered by someone other than you without your knowledge or consent, or which purports to have been issued by you, but was in fact fraudulently issued without your knowledge or consent; or

(c) An electronic, telegraphic, cable, teletype, telefacsimile, telephone or written instruction initially received by you which purports to have been transmitted by an "employee" but which was in fact fraudulently transmitted by someone else without your or the "employee's" knowledge or consent.

(3) "Funds" means "money" and "securities".

(4) "Transfer account" means an account maintained by you at a financial institution from which you can initiate the transfer, payment or delivery of "funds":

(a) By means of electronic, telegraphic, cable, teletype, telefacsimile or telephone instructions communicated directly through an electronic funds transfer system; or

(b) By means of written instructions (other than those described in **2.c. Forgery and Alteration**) establishing the conditions under which such transfers are to be initiated by such financial institution through an electronic funds transfer system.

(5) The most we will pay for loss in any one occurrence is the applicable Limit of Insurance for Funds Transfer Fraud shown in the Declarations.

3. Employee Dishonesty

(1) We will pay for direct loss of or damage to Business Personal Property and “money” and “securities” resulting from dishonest acts committed by any of your employees acting alone or in collusion with other persons (except you or your partner) with the manifest intent to:

(a) Cause you to sustain loss or damage; and also;

(b) 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:

(i) Any employee; or

(ii) Any other person or organization.

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

(a) Resulting from any dishonest or criminal act that you or any of your partners or “members” commit whether acting alone or in collusion with other persons.

(b) Resulting from any dishonest act committed by any or your employees (except as provided in Paragraph **(1)**), “managers” or directors:

(i) Whether acting alone or in collusion with other persons; or

(ii) While performing services for you or otherwise.

(c) The only proof of which as to its existence or amount is:

(i) An inventory computation; or

(ii) A profit and loss computation

(d) Caused by an employee if the employee had also committed theft or any other dishonest act prior to the effective date of this policy and you or any of your partners, “members”, “managers”, officers, directors or trustees, not in collusion with the employee, learned of that theft of dishonest act prior to the policy period shown in the Declarations

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(3) The most we will pay for loss or damage in any one occurrence is the Limit of Insurance for Employee Dishonesty shown in the Declarations.

(4) All loss or damage:

(a) Caused by one or more persons; or

(b) Involving a single act or series of acts; is considered one occurrence.

(5) If any loss is covered:

(a) Partly by this insurance; and

(b) Partly by any prior cancelled or terminated insurance that we or any affiliate had issued to you or any predecessor in interest;

the most we will pay is the larger of the amount recoverable under this insurance or the prior insurance.

We will pay only for loss or damage you sustain through acts committed or events occurring during the Policy Period. Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance cumulates from year to year or period to period.

(6) This Optional Coverage is cancelled as to any employee immediately upon discovery by:

(a) You; or

(b) Any of your partners, "members", "managers", officers or directors not in collusion with the employee;

of any dishonest act committed by that employee before or after being hired by you.

(7) We will pay only for covered loss or damage sustained during the policy period and discovered no later than one year from the end of the policy period.

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

(a) This Optional Coverage became effective at the time of cancellation or termination of the prior insurance; and

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

(9) The Insurance under paragraph **(8)** above is part of, not in addition to, the Limit of Insurance applying to this Optional Coverage and is limited to the lesser of the amount recoverable under:

(a) This Optional Coverage as if its effective date; or

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

(10) With respect to Employee Dishonesty Coverage in Paragraph **G.3.**, employee means:

(a) Any natural person;

(i) While in your service or for 30 days after termination of service;

(ii) Who you compensate directly by salary, wages or commissions; and

(iii) Who you have the right to direct and control while performing services for you:

(b) Any natural person who is furnished temporarily to you:

(i) To substitute for a permanent employee as defined in Paragraph **(1)** above, who is on leave; or

(ii) To meet seasonal or short-term work load conditions:

(c) Any natural person who is leased to you under a written agreement between you and a labor leasing firm, to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in Paragraph **(b)** above;

(d) Any natural person who is a former employee, director, partner, member, manager, representative or trustee retained as a consultant while performing services for you; or

(e) Any natural person who is a guest student or intern pursuing studies or duties, excluding, however, any such person while having care and custody of property outside any building you occupy in conducting your business

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But employee does not mean:

(i) Any agent, broker, factor, commission merchant, consignee, independent contractor or representative of the same general character; or

(ii) Any "manager", director or trustee except while performing acts coming within the usual duties of an employee.

H. Property Definitions

1. "Computer" means:

a. Programmable electronic equipment that is used to store, retrieve and process data; and

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

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

2. "Counterfeit money" means an imitation of "money" that is intended to deceive and to be taken as genuine.

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

4. Equipment Breakdown" as used herein means:

a. Physical loss or damage both originating within:

(1) Boilers, fired or unfired pressure vessels, vacuum vessels, and pressure piping, all normally subject to vacuum or internal pressure other than static pressure of contents, excluding:

(a) Waste disposal piping;

(b) Any piping forming part of a fire protective system; and

(c) Any water piping other than:

(i) Boiler feed water piping between the feed pump and the boiler;

(ii) Boiler condensate return piping; or

(iii) Water piping forming part of a refrigerating or air conditioning system used for cooling, humidifying or space heating purposes

(2) All mechanical, electrical, electronic or fiber optic equipment: and

b. Caused by, resulting from, or consisting of:

(1) Mechanical breakdown; or

(2) Electrical or electronic breakdown; or

(3) Rupture, bursting, bulging, implosion, or steam explosion.

However, "Equipment Breakdown" will not mean:

Physical loss or damage caused by or resulting from any of the following; however if loss or damage not otherwise excluded results, then we will pay for such resulting damage.

(1) Wear and Tear;

(2) Rust or other corrosion, decay, deterioration, hidden or latent defect, mold or any other 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 birds, rodents or other animals.

(6) Scratching and marring

(7) Any loss, damage, cost or expense directly caused by, contributed to by, resulting from or arising out of the following;

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

5. "Extortion" means the surrender of property away from the premises as a result of a threat communicated to you to do bodily harm to you or an employee or to a relative or invitee of either, who is, or allegedly is being held captive.

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

7. "Hazardous substance" means any substance other than ammonia that has been declared to be hazardous to health by a governmental agency.

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8. "Manager" means a person serving in a directorial capacity for a limited liability company.

9. "Member" means an owner of a limited liability company represented by its membership interest, who also may serve as a "manager".

10. "Money" means:

a. Currency, coins and bank notes in current use and having a face value; and

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

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

12. "Period of restoration" means the period of time that:

a. Begins immediately after the time of direct physical loss or damage for Business Income or 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" includes any increased period required to repair or reconstruct the property to comply with the minimum standard of, or compliance with any ordinance or law, in force at the time of loss, that regulates the construction or repair, or requires the tearing down of property.

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

13. "Perishable Stock" means property:

a. Maintained under controlled temperature or humidity conditions for preservation; and

b. Susceptible to loss or damage if the controlled temperature or humidity conditions change.

Property located on buildings, in the open or in vehicles is not "perishable stock."

14. "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.

15. "Reasonable extra cost " means the extra cost of temporary repair and of expediting the repair of such damaged equipment of the insured, including overtime and the extra cost of express or other rapid means of transportation, This will be a part of and not an addition to the limit per loss.

16. "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".

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

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

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

(1) The cost of filling sinkholes; or

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

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

(1) Personal property in the open; or

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

c. Water damage means:

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

(2) Accidental discharge or leakage of water or waterborne material as the direct result of the breaking apart of cracking of a water or sewer pipe that is located off the described premises and is part of a municipal potable water supply system or municipal sanitary sewer system, if the breakage or cracking is caused by wear and tear. But water damage does not include loss or damage otherwise excluded under the terms of the Water Exclusion. Therefore, for example, there is no coverage in the situation in which discharge or leakage of water results from the breaking apart or cracking of a pipe which was caused by or related to weather-inducted flooding, even if wear and tear contributed to the breakage or cracking. As another example, and also in accordance with the terms of the

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Water Exclusion, there is no coverage for loss or damage caused by or related to weather-induced flooding which follows or is exacerbated by pipe breakage or cracking attributable to wear and tear. To the extent that accidental discharge or leakage of water falls within the criteria set forth in **c.(1)** or **c.(2)** of this definition of "specified causes of loss", such water is not subject to the provisions of the Water Exclusion which preclude coverage for surface water or water under the ground surface.

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

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

(a) Documents;

(b) Manuscripts; and

(c) Records;

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

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

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIABILITY TO NON-EMPLOYEES

This endorsement modifies insurance provided under the following:

EMPLOYMENT-RELATED PRACTICES LIABILITY ENDORSEMENT

The following is added to Paragraph **4.** of **Section G – Definitions:**

"Injury" also means injury to any non-"employee" arising out of "discrimination" or harassment directed at the non-"employee" by any insured in the course of that insured's work for you.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – ACCESS OR DISCLOSURE OF CONFIDENTIAL OR PERSONAL INFORMATION AND DATA-RELATED LIABILITY – LIMITED BODILY INJURY EXCEPTION NOT INCLUDED

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

A. Exclusion **B.1.q.** of **Section II – Liability** is replaced by the following:

This insurance does not apply to:

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

(1) Damages, other than damages because of "personal and advertising injury", arising out of any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or

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

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

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

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B. The following is added to Paragraph **B.1.p. Personal And Advertising Injury** Exclusion of **Section II – Liability:**

This insurance does not apply to:

p. Personal And Advertising Injury

"Personal and advertising injury":

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

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

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BUSINESSOWNERS COMMON POLICY CONDITIONS

All coverages of this policy are subject to the following conditions.

A. Cancellation

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

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

a. 5 days before the effective date of cancellation if any one of the following conditions exists at any building that is Covered Property in this policy.

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

(a) Seasonal unoccupancy; or

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

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

(2) After damage by a covered cause of loss, permanent repairs to the building:

(a) Have not started, and

(b) Have not been contracted for,

within 30 days of initial payment of loss.

(3) The building has:

(a) An outstanding order to vacate;

(b) An outstanding demolition order; or

(c) Been declared unsafe by governmental authority.

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

(5) Failure to:

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

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

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

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

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

4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

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

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

B. Changes

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

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C. Concealment, Misrepresentation Or Fraud

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

1. This policy;

2. The Covered Property;

3. Your interest in the Covered Property; or

4. A claim under this policy.

D. Examination Of Your Books And Records

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

E. Inspections And Surveys

1. We have to right to:

a. Make inspections and surveys at any time;

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

c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

a. Are safe and healthful; or

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

3. Paragraphs **1.** and **2.** of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph **2.** of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

F. Insurance Under Two Or More Coverages

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

G. Liberalization

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

H. Other Insurance

1. If there is other insurance covering the same loss or damage, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance of **Section I – Property.**

2. Business Liability Coverage is excess over:

a. Any other insurance that insures for direct physical loss or damage; or

b. Any other primary insurance available to you covering liability for damages arising out of the premises or operations for which you have been added as an additional insured by attachment of an endorsement.

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

I. Premiums

1. The first Named Insured shown in the Declarations:

a. Is responsible for the payment of all premiums; and

b. Will be the payee for any return premiums we pay.

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

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

a. Paid to us prior to the anniversary date; and

b. Determined in accordance with Paragraph **2.** above.

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

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

J. Premium Audit

1. This policy is subject to audit if a premium designated as an advance premium is shown in the Declarations. We will compute the final premium due when we determine your actual exposures.

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

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

K. Transfer Of Rights Of Recovery Against Others To Us

1. Applicable to Businessowners Property Coverage:

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

a. Prior to a loss to your Covered Property.

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

(1) Someone insured by this insurance;

(2) A business firm:

(a) Owned or controlled by you; or

(b) That owns or controls you; or

(3) Your tenant.

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

This will not restrict your insurance.

2. Applicable to Businessowners Liability Coverage:

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If the insured has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them. This condition does not apply to Medical Expenses Coverage.

L. Transfer Of Your Rights And Duties Under This Policy

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

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

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PRIMARY AND NONCONTRIBUTORY – OTHER INSURANCE CONDITION

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM

The following is added to Paragraph **H. Other Insurance** of **Section III – Common Policy Conditions** and supersedes any provision to the contrary:

Primary And Noncontributory Insurance

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

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

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

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - DESIGNATED PREMISES - LIMITED FORM

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM
COMMERCIAL GENERAL LIABILITY COVERAGE PART
GARAGE COVERAGE FORM

SCHEDULE

Name of Person or Organization (Additional Insured):
Time Realty & Investments DBA Zenitram Real Estate Services Inc
1452 N Western Ave , Chicago, IL, 60622
Designation of Premises (Part Occupied by You):
3201-03 W Armitage, Chicago, IL, 60647

(If no entry appears above, information required to complete this endorsement will be shown in Declarations as applicable to this endorsement.)

WHO IS AN INSURED is amended to include as an additional insured any person or organization shown in the Schedule as an additional insured, but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises occupied by you and shown in the Schedule. The additional insured shall be covered only for liability for bodily injury or property damage that is imputed to it as a result of your actions or conduct. In no event shall the additional insured receive any greater or additional coverage, or any greater or additional limits of liability than you receive under this policy.

The coverage granted to the additional insured under this endorsement shall be excess over any other valid and collectible insurance.

This endorsement provides no coverage to the additional insured for any liabilities arising out of the claimed negligence of the additional insured, or out of the claimed negligence of any entities other than the Named Insured.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED - NOT OTHERWISE CLASSIFIED LIMITED FORM

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS LIABILITY COVERAGE FORM
COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name of Person or Organization (Additional Insured):

The City of Chicago Dept of Business Affairs & Licensing Division of Compliance & Investigations Public Way Use Unit
333 S State St Ste 310 , Chicago, IL, 60604

Location Number(s):
1

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

WHO IS AN INSURED is amended to include as an additional insured any person or organization shown in the Schedule as an additional insured. That entity shall be covered only for liability for bodily injury or property damage that is imputed to it as a result of your actions or conduct. In no event shall the additional insured receive any greater or additional coverage, or any greater or additional limits of liability than you receive under this policy.

The coverage granted to the additional insured under this endorsement shall be excess over any other valid and collectible insurance.

This endorsement provides no coverage to the additional insured for any liabilities arising out of the claimed negligence of the additional insured, or out of the claimed negligence of any entities other than the Named Insured.

KEEP THIS NOTICE WITH YOUR INSURANCE PAPERS

This notice is to advise you that should any complaints arise regarding this insurance, you may contact the following:

Society Insurance, a mutual company
PO BOX 1029
Fond du Lac Wisconsin 54936-1029
920-922-1220 or Toll Free: 1-888-576-2438

If you are not satisfied with the results you receive, Part 919 of the Rules of the Illinois Department of Insurance requires that our company advise you that, if you wish to take this matter up with the Illinois Department of Insurance, it maintains a Consumer Division at the following two addresses:

122 S Michigan Ave
19th Floor
Chicago Illinois 60603

320 West Washington St
Springfield Illinois 62767

You may also contact them at the following website: http://insurance.illinois.gov/ or at the following phone numbers: **312-814-2420, 217-782-4515 or toll-free: 1-866-445-5364.**

Notice 08/16IL

Minimize Risk.

Maximize Protection.

10% DISCOUNT FOR SOCIETY INSURANCE POLICYHOLDERS

ServSafe® Product Features

Product Details	ServSafe Manager	ServSafe Food Handler	ServSafe Alcohol	ServSafe Allergens
Target audience	Managers, supervisors, shift leaders, chefs, culinary students, cooks	Food handlers, supervisors, servers, suppliers, culinary students, food demonstrators, volunteers	Managers, bartenders, servers, bouncers, hosts, busers, valets, front-of-house staff	Managers, supervisors, chefs, cooks, food handlers, servers, hosts, busers, front-of-house/ back-of-house staff
Benefits	• Improves Manager performance • Satisfies "Person in Charge" • Profits reinvested in industry	• Provides basic knowledge • Consistent with Manager • Created by industry experts	• Protects your business • May reduce insurance costs[1] • Promotes individual responsibility	• Increases store revenue • Protects your brand • Raises employee awareness
Classroom				
Class length	8 or 16 hours – full semester	2–4 hours	2–6 hours	N/A
Support materials	Manager book, Coursebook, videos, PowerPoint slides, practice tests, activities	Food Handler Guide, PowerPoint slides, videos	Fundamentals book, instructors guide, videos	N/A
Instructor fee	No fee	No fee	$50 application fee, no renewal fee	N/A
Exam languages	English, Spanish, Chinese, Japanese, Korean, French Canadian, Burmese, large print	English, Spanish, Burmese	Primary exam – English, Spanish, Chinese Advanced exam – English	N/A
Online				
Course length	8 hours	2–6 hours	2–6 hours	90 minutes
Course expiration	12 months from date of purchase to begin course. Course expires 90 days after it is started.	12 months from date of purchase to begin course. Course expires 60 days after it is started.	12 months from date of purchase to begin course. Course expires 90 days after it is started.	12 months from date of purchase to begin course. Course expires 90 days after it is started.
Exam languages	English, Spanish, Chinese	English, Spanish	English	English
Certificate/Exam				
Proctor required	Yes	No	Primary exam – No Advanced exam – Yes	No
Number of exam questions	90 questions	40 questions[4]	Primary exam – 40 questions Advanced exam – 70 questions	30 questions[4]
Certification expiration	5 years*	3 years*	3 years*	3 years
Regulatory				
Accreditation	Fully accredited – ANSI/CFP[2]	Online and CA book – fully accredited – ANSI/ASTM[3]	N/A	N/A

*Subject to local regulatory and jurisdictional requirements. Check with your local jurisdiction or state restaurant association for confirmation.

[1]Check with your insurance agent – implementing Responsible Alcohol Service training could reduce insurance premiums.

[2]ANSI/CFP: ServSafe Manager Certification is accredited under the Conference for Protection Standards by the American National Standards Institute.

[3]ANSI/ASTM: The ServSafe Food Handler program is accredited by the American National Standards Institute under the ASTM International Standard for Certificate Programs.

[4]You can print your certificate online after passing the assessment.

To access the Society Insurance portal and save, go to:
http://www.societyinsurance.com/risk_control/alliances.aspx

ServSafe National Restaurant Association

Call National Restaurant Association Toll Free (800) 765-2122
Ext. 6701 for Customer Service
Ext. 6703 for the Certification Department
Email: customerservice@restaurant.org

Tony Pupillo | NRA Sales Manager
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ILLINOIS NOTICE TO POLICYHOLDERS REGARDING THE RELIGIOUS FREEDOM PROTECTION AND CIVIL UNION ACT

Dear Policyholder:

This is to provide notice that, pursuant to Illinois Department of Insurance Company Bulletin 2011-06 (CB 2011-06), this policy is in compliance with the Illinois Religious Freedom Protection and Civil Union Act ("the Act", 750 ILL. COMP. STAT. 75/1). The Act, which became effective on June 1, 2011, creates a legal relationship between two persons of either the same or opposite sex who establish a civil union.

The Act provides that parties to a civil union are entitled to the same legal obligations, responsibilities, protections and benefits that are afforded or recognized by the law of Illinois to spouses, whether they are derived from statute, administrative rule, policy, common law or any source of civil or criminal law. In addition, this law requires recognition of a same-sex civil union, marriage, or other substantially similar legal relationship, except for common law marriage, legally entered into in other jurisdictions. The Act further provides that "party to a civil union" shall be included in any definition or use of the terms "spouse", "family", "immediate family", "dependent", "next of kin" and other terms descriptive of spousal relationships as those terms are used throughout the law. According to CB 2011-06, this includes the terms "marriage" or "married" or any variations thereof. CB 2011-06 also states that if policies of insurance provide coverage for children, the children of civil unions must also be provided coverage.

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