

EXHIBIT B

Finger Lakes Fire & Casualty Co.

INVOICE

6905 Route 227
 Trumansburg, NY 14886-0550
www.flfcc.com

Policy # BOP015007003

Policy Period
 05/20/2019 to 05/20/2020
 12:01 A.M. Standard Time

POLICYHOLDER

AGENT

Cal 2626 LLC DBA WNY Empire Storage
 C/O Seneca Larkin 701 LLC
 701 Seneca St Ste 200
 Buffalo, NY 14210

CASSETTA AGENCY INC
 3000 DELAWARE AVE
 KENMORE, NY 14217
 Phone Number: 716-876-7718

POLICY NUMBER: BOP015007003

TOTAL PREMIUM : \$9,273.80

PAYMENT OPTIONS			
Annual Payment:	05/20/2019	\$9,273.80	
Semi-Annual:	05/20/2019	\$4,671.80	* Includes \$5.00 Service Charge
	11/20/2019	\$4,612.00	
Quarterly:	05/20/2019	\$2,368.30	* Includes \$5.00 Service Charge
	08/20/2019	\$2,308.50	
	11/20/2019	\$2,308.50	
	02/20/2020	\$2,308.50	

TO AVOID THESE FEES LISTED BELOW, PLEASE PAY MINIMUM DUE BY DUE DATE SHOWN
 \$20 LATE FEE \$30 REINSTATEMENT FEE \$30 INSUFFICIENT FUNDS FEE
PLEASE RETURN UNWANTED POLICIES OR FEE WILL BE CHARGED

Main Location Description
 2926 W Main St, Caledonia, NY 14423

Please return this part with your payment. Remember to show your Policy Number on your check. Please notify your agent of any name or address changes.




Please make check payable to FINGER LAKES FIRE & CASUALTY CO.

DUE BY	AMOUNT PAID
05/20/2019	\$

INSURED: Cal 2626 LLC DBA WNY Empire Storage - BOP015007003

***** PAY ONLINE AT WWW.FLFCC.COM *****

To pay by Credit Card, please complete the following:

Please Charge My:   

Account Number: _____

Security Code: _____ Expiration Date: _____

Amount: _____ Phone: _____

Name On Credit Card: _____

Signature: _____
 (Must Have Signature To Authorize Payment)



**SCAN THIS CODE TO
 MAKE YOUR PAYMENT**



**THIS POLICY IS ISSUED ON THE CO-OPERATIVE NON-ASSESSABLE PLAN
FINGER LAKES FIRE & CASUALTY CO.**

**Business Owners Policy
Policy # BOP015007003
Blue-Chip**

6905 Route 227
Trumansburg, NY 14886-0550
www.ffcc.com
DECLARATIONS

**Policy Period
05/20/2019 to 05/20/2020
12:01 A.M. Standard Time**

POLICYHOLDER

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C/O Seneca Larkin 701 LLC
701 Seneca St Ste 200
Buffalo, NY 14210

YOUR AGENT

CASSETTA AGENCY INC
3000 DELAWARE AVE
KENMORE, NY 14217
Phone Number: 716-876-7718

****** ATTACH THIS RENEWAL CERTIFICATE TO YOUR ORIGINAL POLICY ******

GENERAL LIABILITY COVERAGES	LIMITS
L. Bodily Injury & Property Damage	2,000,000 Each Occurrence
M. Premises Medical Payments	10,000 Each Person
	25,000 Each Accident
N. Products/Completed Operations	2,000,000 Each Occurrence
O. Fire Legal Liability	50,000 Each Occurrence
P. Personal/Advertising Injury	(See Coverage L for Limits)
** Any payments under Coverage P reduces Coverage L Limits of Liability for the same loss **	

GENERAL LIABILITY AGGREGATES	LIMITS
Aggregate Other Than Products/Completed Work	5,000,000
Aggregate Limit For Products/Completed Work	5,000,000

Inception Premium For All Locations: \$9,214
NY State Fire Fee \$59.80

Location Description

(Location: 1 Building: 1)

2926 W Main St
Caledonia, NY 14423, LIVINGSTON
Storage Building 65 Units

PROPERTY COVERAGES	LIMIT OF LIABILITY	COINSURANCE	DEDUCTIBLE	PREMIUM
A. Building	1,152,000	RC SF-3	0% 10,000	\$3,472
B. Business Property	0		0% 100	\$0
Liability Premium:				\$115
Fire Legal Liability Premium:				\$0

RATING INFORMATION

Class Code: 100079 **Policy Type:** Deluxe **Occupancy:** TENANT **Sq Foot Area:**
Territory: 01.2 **County:** LIVINGSTON **Construction:** FRAME **Sprinklered:** No
Year: 1998 **Protection:** PROTECTED

Forms & Coverages

IRPM	Irpm Credit Or Debit	
LS-82 (7/96)	Redefinition Of Insured	
ML-XX-M	Metal Building With Metal Or Frame Supports Credit	-457
SF-312 (1/88)	Loss Of Income - Special Limitations (credit) / Coverage Type: Building Only	-61
SF-345 (12/00)	Mechanical Breakdown	265

Issued Date

04/01/2019 09:48:29 AM

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**THIS POLICY IS ISSUED ON THE CO-OPERATIVE NON-ASSESSABLE PLAN
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**Cal 2626 LLC DBA WNY Empire Storage
C/O Seneca Larkin 701 LLC
701 Seneca St Ste 200
Buffalo, NY 14210**

**CASSETTA AGENCY INC
3000 DELAWARE AVE
KENMORE, NY 14217
Phone Number: 716-876-7718**

Location Premium: \$3,334

Subject to:

Form	Edition	Description
LS-10	(1/88)	Amended Limits of Liability
LS-22	(1/88)	Additional Insured
LS-6	(1/88)	General Liability Coverage - Business General Liability Insurance (Extra Coverage)
LS-84	(10/97)	New York Amendatory Endorsement
ML-430	(1/91)	Renewal Endorsement
ML-430A	(2/08)	Renewal Endorsement
NYSTAT-1	(11/08)	NY Statutory Endorsement
SF-10B	(1/88)	Supplemental Declarations
SF-18	(7/96)	Intentional Acts Exclusion
SF-20	(1/88)	Agreement
SF-27A	(7/96)	Replacement Cost Provision (Not Applicable to Mobile Homes Whether Or Not On A Permanent Foundation)
SF-3	(9/96)	Cause of Loss (Building)
SF-311	(1/88)	Businessowners' Coverage
SF-83	(10/01)	Amendment Of Policy Conditions

Subsequent payments will be due each year on the anniversary date based on rates in effect at that time.

04/01/2019

COUNTERSIGNATURE DATE

Thomas R Ball

OUR AUTHORIZED REPRESENTATIVE

Issued Date

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This replaces all previously issued policy Declarations, if any. This policy applies only to accidents, occurrences or losses which happen during the policy period shown above. If the policy is written on a continuous basis, each period of one year ending on the annual anniversary date of this policy constitutes a separate policy period.

This policy applies only to those coverages above for which a limit of liability or premium charge is shown. Our limit of liability for each coverage shall not be more than the amount stated for such coverage, subject to all the terms of the policy.

RENEWAL AGREEMENT

This policy may be continued by payment of the required premium for the next policy period.

The premium must be paid to US as specified in the Premium Notice.

If any of the forms attached to YOUR policy are revised, WE will enclose a copy of that revision with YOUR renewal policy.

If WE adopt any revision of forms or endorsements during a policy period which would broaden coverage under this policy without additional premium, YOUR policy will be liberalized to include that broadened coverage.

A complete set of forms is available at your request.

End of Declaration

SUPPLEMENTAL DECLARATIONS

This Supplemental Declarations page forms a part of YOUR policy

COVERAGE LIMITS PROVIDED UNDER THIS PAGE (SF-10B) SUPERCEDE THE LIMITS PROVIDED UNDER BUSINESSOWNERS COVERAGE FORM SF-311

Listed below are the forms and other information related to YOUR policy. For descriptions of coverage, limitations and exclusions refer to the named forms, Declarations, General Policy Provisions, General Liability Coverage and all other forms that are a part of YOUR policy.

This form is part of your Policy Number: BOP015007003

Named Insured: Cal 2626 LLC DBA WNY Empire Storage

BUSINESSOWNERS PLAN STANDARD XXX DELUXE

Actual Cash Value Building XXX Replacement Cost (SF-27) Building
Actual Cash Value Business Property Replacement Cost (SF-27) Business Property

IF DELUXE PLAN HAS "X" ON LINE ABOVE, THEN ALL FORM SF-311 COVERAGES APPLY TO THIS POLICY. THE 90 DAY PERIOD FOR SEASONAL VARIATION COVERAGE MUST BE SHOWN BELOW.

STANDARD PLAN Coverage ONLY APPLIES when an "X" is shown on the line below FORM SF-311 REQUIRED INFORMATION

- ADDITIONAL EXPENSE \$ amount of additional coverage above \$1000.
LOSS OF INCOME actual loss of income for 3 months.
ACCOUNTS RECEIVABLE \$ amount of additional coverage above \$1000.
BUILDING INFLATION PROTECTION 1% of increase each 3 months 1.00 % of increase each 3 months
EMPLOYEE DISHONESTY COVERAGE \$ amount of additional coverage above \$1000.
number of employees 1
EXTERIOR SIGNS \$ amount of additional coverage above \$1000.
MONEY AND SECURITIES \$ amount of additional coverage above \$1000.
WHILE AWAY FROM THE INSURED PREMISES % of additional Coverage above 15%.
VALUABLE PAPERS AND RECORDS \$ amount of additional coverage above \$1000.
SEASONAL VARIATION Designate 90 Day Period - Additional 30 Day Period - 25% increase rates to 0%
SPRINKLER LEAKAGE
PERSONAL INJURY

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FINGER LAKES FIRE & CASUALTY CO.**

**Business Owners Policy
Policy # BOP015007003
Blue-Chip**

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DECLARATIONS

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POLICYHOLDER

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C/O Seneca Larkin 701 LLC
701 Seneca St Ste 200
Buffalo, NY 14210

YOUR AGENT

CASSETTA AGENCY INC
3000 DELAWARE AVE
KENMORE, NY 14217
Phone Number: 716-876-7718

****** ATTACH THIS RENEWAL CERTIFICATE TO YOUR ORIGINAL POLICY ******

GENERAL LIABILITY COVERAGES	LIMITS
L. Bodily Injury & Property Damage	2,000,000 Each Occurrence
M. Premises Medical Payments	10,000 Each Person
	25,000 Each Accident
N. Products/Completed Operations	2,000,000 Each Occurrence
O. Fire Legal Liability	50,000 Each Occurrence
P. Personal/Advertising Injury	(See Coverage L for Limits)
** Any payments under Coverage P reduces Coverage L Limits of Liability for the same loss **	

GENERAL LIABILITY AGGREGATES	LIMITS
Aggregate Other Than Products/Completed Work	5,000,000
Aggregate Limit For Products/Completed Work	5,000,000

Inception Premium For All Locations: \$9,214
NY State Fire Fee \$59.80

Location Description

(Location: 1 Building: 2)

2926 W Main St
Caledonia, NY 14423, LIVINGSTON
Storage Building 5 Units

PROPERTY COVERAGES	LIMIT OF LIABILITY	COINSURANCE	DEDUCTIBLE	PREMIUM
A. Building	2,243,000	RC	SF-3 0%	10,000 \$5,267
B. Business Property	0		0%	100 \$0
Liability Premium:				\$0
Fire Legal Liability Premium:				\$0

RATING INFORMATION

Class Code: 100079 **Policy Type:** Deluxe **Occupancy:** TENANT **Sq Foot Area:**
Territory: 01.2 **County:** LIVINGSTON **Construction:** MASONRY **Sprinklered:** No
Year: 1998 **Protection:** PROTECTED

Forms & Coverages

IRPM Irpm Credit Or Debit
LS-82 (7/96) Redefinition Of Insured
SF-312 (1/88) Loss Of Income - Special Limitations (credit) / Coverage Type: Building Only -92
Location Premium: \$5,175

Subject to:

Form	Edition	Description
LS-10	(1/88)	Amended Limits of Liability

Issued Date

04/01/2019 09:48:33 AM

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**Business Owners Policy
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C/O Seneca Larkin 701 LLC
701 Seneca St Ste 200
Buffalo, NY 14210**

**CASSETTA AGENCY INC
3000 DELAWARE AVE
KENMORE, NY 14217
Phone Number: 716-876-7718**

LS-22	(1/88)	Additional Insured
LS-6	(1/88)	General Liability Coverage - Business General Liability Insurance (Extra Coverage)
LS-84	(10/97)	New York Amendatory Endorsement
ML-430	(1/91)	Renewal Endorsement
ML-430A	(2/08)	Renewal Endorsement
NYSTAT-1	(11/08)	NY Statutory Endorsement
SF-10B	(1/88)	Supplemental Declarations
SF-18	(7/96)	Intentional Acts Exclusion
SF-20	(1/88)	Agreement
SF-27A	(7/96)	Replacement Cost Provision (Not Applicable to Mobile Homes Whether Or Not On A Permanent Foundation)
SF-3	(9/96)	Cause of Loss (Building)
SF-311	(1/88)	Businessowners' Coverage
SF-83	(10/01)	Amendment Of Policy Conditions

Subsequent payments will be due each year on the anniversary date based on rates in effect at that time.

04/01/2019

Thomas R Ball

COUNTERSIGNATURE DATE

OUR AUTHORIZED REPRESENTATIVE

Issued Date

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RENEWAL AGREEMENT

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The premium must be paid to US as specified in the Premium Notice.

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End of Declaration

SUPPLEMENTAL DECLARATIONS

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COVERAGE LIMITS PROVIDED UNDER THIS PAGE (SF-10B) SUPERCEDE THE LIMITS PROVIDED UNDER BUSINESSOWNERS COVERAGE FORM SF-311

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This form is part of your Policy Number: BOP015007003

Named Insured: Cal 2626 LLC DBA WNY Empire Storage

BUSINESSOWNERS PLAN STANDARD XXX DELUXE

Actual Cash Value Building XXX Replacement Cost (SF-27) Building
Actual Cash Value Business Property Replacement Cost (SF-27) Business Property

IF DELUXE PLAN HAS "X" ON LINE ABOVE, THEN ALL FORM SF-311 COVERAGES APPLY TO THIS POLICY. THE 90 DAY PERIOD FOR SEASONAL VARIATION COVERAGE MUST BE SHOWN BELOW.

STANDARD PLAN Coverage ONLY APPLIES when an "X" is shown on the line below FORM SF-311 REQUIRED INFORMATION

- ADDITIONAL EXPENSE \$ amount of additional coverage above \$1000.
LOSS OF INCOME actual loss of income for 3 months.
ACCOUNTS RECEIVABLE \$ amount of additional coverage above \$1000.
BUILDING INFLATION PROTECTION 1% of increase each 3 months 1.00 % of increase each 3 months
EMPLOYEE DISHONESTY COVERAGE \$ amount of additional coverage above \$1000.
number of employees 1
EXTERIOR SIGNS \$ amount of additional coverage above \$1000.
MONEY AND SECURITIES \$ amount of additional coverage above \$1000.
WHILE AWAY FROM THE INSURED PREMISES % of additional Coverage above 15%.
VALUABLE PAPERS AND RECORDS \$ amount of additional coverage above \$1000.
SEASONAL VARIATION Designate 90 Day Period - Additional 30 Day Period - 25% increase rates to 0%
SPRINKLER LEAKAGE
PERSONAL INJURY

***** END OF FORM SF-311 COVERAGES *****

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**Business Owners Policy
Policy # BOP015007003
Blue-Chip**

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DECLARATIONS

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POLICYHOLDER

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C/O Seneca Larkin 701 LLC
701 Seneca St Ste 200
Buffalo, NY 14210

YOUR AGENT

CASSETTA AGENCY INC
3000 DELAWARE AVE
KENMORE, NY 14217
Phone Number: 716-876-7718

****** ATTACH THIS RENEWAL CERTIFICATE TO YOUR ORIGINAL POLICY ******

GENERAL LIABILITY COVERAGES	LIMITS
L. Bodily Injury & Property Damage	2,000,000 Each Occurrence
M. Premises Medical Payments	10,000 Each Person
	25,000 Each Accident
N. Products/Completed Operations	2,000,000 Each Occurrence
O. Fire Legal Liability	50,000 Each Occurrence
P. Personal/Advertising Injury	(See Coverage L for Limits)
** Any payments under Coverage P reduces Coverage L Limits of Liability for the same loss **	

GENERAL LIABILITY AGGREGATES	LIMITS
Aggregate Other Than Products/Completed Work	5,000,000
Aggregate Limit For Products/Completed Work	5,000,000
Inception Premium For All Locations:	\$9,214
NY State Fire Fee	\$59.80

Location Description	(Location: 1 Building: 3)			
2926 W Main St Caledonia, NY 14423, LIVINGSTON Storage Building 30 Units				
PROPERTY COVERAGES	LIMIT OF LIABILITY	COINSURANCE	DEDUCTIBLE	PREMIUM
A. Building	275,000	RC	SF-3 0%	10,000 \$829
B. Business Property	0		0% 100	\$0
Liability Premium:				\$0
Fire Legal Liability Premium:				\$0

RATING INFORMATION			
Class Code: 100079	Policy Type: Deluxe	Occupancy: TENANT	Sq Foot Area:
Territory: 01.2	County: LIVINGSTON	Construction: FRAME	Sprinklered: No
Year: 1998	Protection: PROTECTED		

<u>Forms & Coverages</u>	
IRPM	Irpm Credit Or Debit
LS-82 (7/96)	Redefinition Of Insured
ML-XX-M	Metal Building With Metal Or Frame Supports Credit -109
SF-312 (1/88)	Loss Of Income - Special Limitations (credit) / Coverage Type: Building Only -15
Location Premium: \$705	

Subject to:
Form Edition Description

Issued Date
04/01/2019 09:48:37 AM

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LS-10	(1/88)	Amended Limits of Liability
LS-22	(1/88)	Additional Insured
LS-6	(1/88)	General Liability Coverage - Business General Liability Insurance (Extra Coverage)
LS-84	(10/97)	New York Amendatory Endorsement
ML-430	(1/91)	Renewal Endorsement
ML-430A	(2/08)	Renewal Endorsement
NYSTAT-1	(11/08)	NY Statutory Endorsement
SF-10B	(1/88)	Supplemental Declarations
SF-18	(7/96)	Intentional Acts Exclusion
SF-20	(1/88)	Agreement
SF-27A	(7/96)	Replacement Cost Provision (Not Applicable to Mobile Homes Whether Or Not On A Permanent Foundation)
SF-3	(9/96)	Cause of Loss (Building)
SF-311	(1/88)	Businessowners' Coverage
SF-83	(10/01)	Amendment Of Policy Conditions

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Thomas R Ball

OUR AUTHORIZED REPRESENTATIVE

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This form is part of your Policy Number: BOP015007003

Named Insured: Cal 2626 LLC DBA WNY Empire Storage

BUSINESSOWNERS PLAN STANDARD XXX DELUXE

Actual Cash Value Building XXX Replacement Cost (SF-27) Building
Actual Cash Value Business Property Replacement Cost (SF-27) Business Property

IF DELUXE PLAN HAS "X" ON LINE ABOVE, THEN ALL FORM SF-311 COVERAGES APPLY TO THIS POLICY. THE 90 DAY PERIOD FOR SEASONAL VARIATION COVERAGE MUST BE SHOWN BELOW.

STANDARD PLAN Coverage ONLY APPLIES when an "X" is shown on the line below FORM SF-311 REQUIRED INFORMATION

- ADDITIONAL EXPENSE \$ amount of additional coverage above \$1000.
LOSS OF INCOME actual loss of income for 3 months.
ACCOUNTS RECEIVABLE \$ amount of additional coverage above \$1000.
BUILDING INFLATION PROTECTION 1% of increase each 3 months 1.00 % of increase each 3 months
EMPLOYEE DISHONESTY COVERAGE \$ amount of additional coverage above \$1000.
number of employees 1
EXTERIOR SIGNS \$ amount of additional coverage above \$1000.
MONEY AND SECURITIES \$ amount of additional coverage above \$1000.
WHILE AWAY FROM THE INSURED PREMISES % of additional Coverage above 15%.
VALUABLE PAPERS AND RECORDS \$ amount of additional coverage above \$1000.
SEASONAL VARIATION Designate 90 Day Period - Additional 30 Day Period - 25% increase rates to 0%
SPRINKLER LEAKAGE
PERSONAL INJURY



POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

You are hereby notified under the Terrorism Risk Insurance Act, as amended in 2015 (the Act), you have a right to purchase insurance coverage for losses resulting from acts of terrorism, as defined in Section 102(I) of the Act: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury--in consultation with the Secretary of the Homeland Security, and the Attorney General of the United States--to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premise of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

You should know that where coverage is provided by this policy for losses resulting from certified acts of terrorism, such losses may be partially reimbursed by the United States Government under a formula established by federal law. However, your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States Government generally reimburses 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019 and 80% beginning on January 1, 2020; of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The premium charged for this coverage is provided below and does not include any charges for the portion of loss that may be covered by the federal government under the Act.

You should also know that the Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses in any one calendar year exceeds \$100 billion. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

Any coverage provided by your policy in compliance with the Act is limited by the terms, conditions, limits, exclusions and other provisions of your policy.

No terrorism exclusion or limitation is permitted to the extent that coverage is otherwise required by law. Accordingly, no such exclusion or limitation is permissible for coverage with respect to the peril of fire that is subject to New York Insurance Law Section 3404 or for workers' compensation insurance. An insured cannot voluntarily waive this statutorily mandated coverage.

The portion of your annual premium that is attributable to coverage for acts of terrorism is \$ 0.00

- ACCEPTANCE OF TERRORISM COVERAGE
- REJECTION OF TERRORISM COVERAGE

Policyholder/Applicant's Signature

Print Name

Date

Name of Insurer: Finger Lakes Fire & Casualty Co.

Policy Number: BOP015007003

Finger Lakes Fire & Casualty Co.

6905 Route 227, Trumansburg, NY 14886-0550

DECLARATIONS

Business Owners Policy
Policy # BOP015007003

Policy Period
05/20/2019 To 05/20/2020
12:01 A.M. Standard Time

ADDITIONAL DECLARATIONS SCHEDULE OF SECURED PARTIES FOR

Cal 2626 LLC DBA WNY Empire Storage

Secured Party Type Additional Insured Mortgagee Loss Payee

Five Star Bank
ISAOA
PO Box 391224
Solon, OH 44139-8224

Assigned Locations: *Please refer to the Coverage Form for corresponding location coverage details*

Building #1, Building #2, Building #3

Secured Party Type Additional Insured Mortgagee Loss Payee

Richard R Steen
2120 Sac Kett Rd
Avon, NY 14414

Assigned Locations: *Please refer to the Coverage Form for corresponding location coverage details*

Building #1, Building #2, Building #3

Secured Party Type Additional Insured Mortgagee Loss Payee

Five Star Bank
ISAOA
PO Box 391224
Solon, OH 77139-8224

Interest:Mortgagees and Loss Payees (LS-22) (No
Occupancy of Premises)

Applicable Form:LS-22 (1/88)

Assigned Locations: *Please refer to the Coverage Form for corresponding location coverage details*

Building #1, Building #2, Building #3

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SF-3
Ed. 9/96

CAUSES OF LOSS-COVERAGE A

WHAT WE COVER

Coverage A-Building.

We cover the described building(s) under Coverage A- Building when a limit of insurance is shown on the Declarations and this form applies.

A. Covered Causes of Loss.

When this form is attached to *your* policy, Covered Causes of Loss means Risks of Direct Physical Loss unless the loss is:

1. Excluded in Section B., Exclusions; or
2. Limited in Section C., Limitations; that follow.

B. EXCLUSIONS THAT APPLY TO *YOUR* POLICY.

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.

For other Exclusions, Limitations and Property Not Covered which may effect *your* coverage, see Principal Coverages, Incidental Coverages, and other endorsements added to *your* policy.

1. **Business Interruption**-This means loss resulting from the interruption of *business*.
2. **Civil Authority**-This means loss, including seizure, confiscation or destruction of property, caused by the order of any civil authority. But *we* will pay for acts of destruction ordered by government authority and taken at the time of fire to prevent its spread if the fire would be covered under this coverage part.
3. **Earth Movement of any Kind**-This includes:
 - a. any earth movement (other than sinkhole collapse), such as earthquake, landslide, or earth sinking, rising or shifting. But if loss or damage by fire or explosion results, *we* will pay for that resulting loss or damage.
 - b. volcanic eruption, explosion or effusion. But if loss or damage by fire, building glass breakage or volcanic action results, *we* will pay for that resulting loss or damage.
Volcanic action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:
 - (a) Airborne volcanic blast or airborne shock waves;
 - (b) Ash, dust or particulate matter; or
 - (c) Lava flow.

All volcanic eruptions that occur within any 72-hour period will constitute a single *occurrence*.

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

4. **Neglect**-This means neglect by an *insured* to use all reasonable means to save covered property at and after the time of a loss. It also means neglect by any *insured* to use all reasonable means to save and preserve covered property when endangered by causes of loss not otherwise excluded.
5. **Nuclear Clause**-This policy does not cover loss or damage caused by nuclear reaction or nuclear radiation or radioactive contamination, however caused. But if loss or damage by fire results, *we* will pay for that resulting loss or damage.
6. **Ordinance or Law**-This means loss or increased cost resulting from enforcement of any code, ordinance or law regulating the use, construction, repair or demolition of a building or other structure, including the cost of removing its debris. When breakage of glass is covered by this policy, *we* pay to replace damaged glass with safety glazing materials where required by code, ordinance or law.
7. **Power Interruption**-This means loss from the interruption of power or other utility services resulting from any cause, whether insured under this policy or not, if interruption takes place away from the *insured premises*. *We* pay for loss to covered property by power interruption as the direct result of damage to covered property on premises as long as such damage is not otherwise excluded.
8. **Temperature-Humidity**-This means loss resulting from dampness, dryness, or changes in or extremes of temperature.

9. **War**-This means undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, or destruction, seizure or use of property for a military purpose. It includes any consequence of any of these. Discharge of a nuclear weapon shall be deemed a warlike act even if accidental.
10. **Water Damage**-This means loss caused by:
- flood, surface water, waves, tides, tidal water or overflow of a body of water or spray from any of these all whether wind driven or not;
 - water which backs up through sewers or drains;
 - water below the surface of the ground pressing on or flowing or seeping through:
 - foundations, walls, floors or paved surfaces;
 - basements, whether paved or not; or
 - swimming pools or other structures.

But if loss or damage by fire or explosion results *we* will pay for that resulting loss or damage.

11. **Wear and Tear**-This includes damage caused by marring or scratching, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself, mechanical breakdown, rust, wet or dry rot, corrosion, mold, contamination or smog. But if loss or damage is caused by the *specified causes of loss*, or building glass breakage results, *we* will pay for that resulting loss or damage.
12. **Dishonest or Criminal Act**-This means loss caused by or resulting from any dishonest or criminal act by *you*, any of *your* partners, employees, directors, trustees, authorized representatives or anyone to whom *you* entrust the property for any purpose:
- acting alone or in collusion with others; or
 - whether or not occurring during the hours of employment.
- This exclusion does not apply to acts of destruction by *your* employees; but theft by employees is not covered.
13. **Freezing**-*We* do not pay for loss by freezing if the building is vacant, unoccupied (including temporary absence) or under construction and unoccupied unless the *insured* takes reasonable care to:
- maintain heat in the building; or
 - shut off the water supply and completely empty liquids from any plumbing, heating or air-conditioning system, water heater or domestic appliance.
14. **Artificially Generated Electric Current**-*We* do not pay for loss resulting from any electrical injury or disturbance to electrical appliances, devices, fixtures or wiring caused by electrical currents artificially generated. If fire ensues, *we* will only pay for the loss caused by such fire.
15. **Water Damage**-*We* do not pay for loss caused by repeated or continuous discharge, or leakage of liquids or steam from within a plumbing, heating or air-conditioning system, or other equipment. Except as provided above, *we* pay for loss caused by the accidental leakage, overflow or discharge of liquids or steam from a plumbing, heating or air-conditioning system, or other equipment. *We* also pay the reasonable cost of removing and replacing those parts of the building necessary to make repairs. *We* do not pay for loss to the system or appliance/equipment from which the liquid or steam escapes.
16. **Freezing, Thawing, Pressure or Weight of Ice or Water**-*We* do not pay for loss to: swimming pools, fences, retaining walls, septic tanks, piers, wharves, foundations, patios, and paved areas caused by freezing, thawing, or pressure or weight of ice or water whether wind driven or not.
17. **Buildings or Structures in the Process of Construction**-*We* do not cover buildings or structures in the process of construction, including materials and supplies, unless loss is caused by fire, lightning, windstorm, hail, aircraft, vehicles, smoke, explosion, riot or civil commotion or vandalism.

We do not cover:

Buildings or structures undergoing alterations, repairs, installations or servicing, including materials and supplies, if loss or damage is caused by operations or work being performed on the buildings or structures unless loss is caused by a cause of loss that is not otherwise excluded. In such event, *we* are liable for only the ensuing loss.

18. **Explosion**-*We* do not pay for loss caused by explosion to:
- steam boilers, steam pipes, steam turbines or steam engines if owned, leased by or operated under *your* control;
 - shock waves caused by aircraft, known as "sonic boom";
 - electric arcing;
 - rupture or bursting of rotating or moving parts of machinery caused by centrifugal force or mechanical breakdown;
 - water hammer;
 - rupture or bursting of water pipes;
 - rupture, bursting or operating of pressure relief devices; or

h. rupture or bursting due to expansion or swelling of the contents of any building or structure, caused by or resulting from water.

But if loss or damage by fire or combustion explosion results, *we* will pay for that resulting loss or damage.

We will also pay for loss or damage caused by or resulting from the explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases or combustion pass.

19. **Pollutants/Smoke-***We* will not pay for loss or damage caused by or resulting from any of the following:

- a. release, discharge or dispersal of contaminants or pollutants;
- b. smoke, vapor or gas from agricultural smudging or industrial operations.

20. **Settling, Cracking, Shrinking, Bulging or Expanding-***We* do not pay for loss caused by or resulting from settling, cracking, shrinking, bulging or expanding of pavements, footings, foundations, walls, ceilings or roofs.

We will pay for any resulting loss caused by *specified causes of loss*.

21. **Animals-***We* do not pay for loss caused by or resulting from animals, including rodents, insects and birds. *We* will pay for any resulting loss caused by *specified causes of loss*.

22. **Defects, Errors and Omissions-***We* do not pay for loss which results from one or more of the following:

- a. an act, error or omission (negligent or not) relating to:
 - (1) design, specification, construction, workmanship or installation;
 - (2) planning, zoning, development, surveying, siting, grading or compaction;
 - (3) maintenance of property (including land, structures or improvements); or
 - (4) materials used in repair, construction, renovation or remodeling whether on or off the premises; or
 - (5) land use.
- b. a defect, a weakness, the inadequacy, a fault or unsoundness in materials used in construction or repair, whether on or off premises.

We will cover any resulting loss caused by a cause of loss not otherwise excluded.

DEFINITIONS

Specified Causes of Loss-shall mean direct loss by fire, lightning, aircraft, explosion, riot, civil commotion, smoke, vehicles, windstorm or hail, vandalism, leakage or accidental discharge from automatic fire protective systems.

C. Limitations

1. *We* will not pay for loss of or damage to:

- a. Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But *we* will pay for loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
- b. Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
- c. The interior of any building or structure caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, unless 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. However, *we* pay for loss or damage to the covered building which results from the thawing of snow, sleet or ice on the building or structure.

2. **Breakage of Glass-***We* do not cover breakage of glass including lettering, etching or ornamentation for an amount greater than \$100 per plate, pane, multiple plate insulating unit, radiant or solar heating panel, jalousie, louver or shutter, nor for more than \$500 in any one *occurrence*.

These limitations do not apply if loss is caused by fire, lightning, windstorm, hail, aircraft, vehicles, discharge from fire protection or building service equipment, *explosion*, or riot or civil commotion.



SF-20
Ed. 1/88

AGREEMENT

This policy, subject to all of its *terms*, provides insurance against loss to property, and other described coverages during the policy period, in return for payment of the required premium. It consists of this Agreement, the Declarations, Supplemental Declarations (if any), the General Policy Provisions, Causes of Loss Section and any forms or endorsements made part of it, including any required state endorsement(s).

Endorsements attached to this policy may require a premium charge for increased or additional coverage. In the event *you* select a higher deductible amount or where certain exclusionary or limiting endorsements are added to *your* policy, *you* may receive a reduction in premium.

It is important that *you* read each part of this policy carefully to understand the coverage provided and *your* obligations as well as *our* obligations under the policy. Each coverage is subject to all policy *terms* relating to that coverage including the *terms* applicable to the entire policy. Coverages A & B described in this policy apply only if a limit of insurance is shown for the coverage on the Declarations or are added by endorsement.

The following Table of Contents shows how the policy is organized and will help *you* locate particular sections of the policy.

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GENERAL POLICY PROVISIONS

A. DEFINITIONS-The following definitions apply to this policy:

1. The words *you* and *your* refer to the person or entity named in the Declarations and the words *we*, *us* and *our* refer to the insurance company named in the Declarations.
2. *Business* means a trade, profession or other occupation including farming, all whether full or part time.
3. *Covered Policy* means a policy of commercial risk insurance, professional liability insurance or public entity insurance.
4. *Insured* means the person or entity named in the Declarations.
 - a. *Insured* means *you* or *your* legal representative. However, this person, *your* legal representative, is an *insured* only with respect to property covered by this insurance.
 - b. Each person listed above is a separate *insured* under this policy, but this does not increase *our* limit of insurance under this policy.
5. *Insured Premises*
 - a. If *you* own the building described in the Declarations, the *insured premises* means the building and the grounds at that location described in the policy.
 - b. If, at the location described in the policy, *you* lease the entire building or a portion of the building, *insured premises* means the parts of the described premises which are used or occupied exclusively by *you*.
6. *Nonpayment of Premium* means the failure of the *named insured* to discharge any obligation in connection with the payment of premiums on a policy of insurance or any installment of such premium, whether the premium is payable directly to the insurer or its agent or indirectly under any premium finance plan or extension of credit. Payment to the insurer, or to an agent or broker authorized to receive such payment shall be timely if made within fifteen days after the mailing to the *insured* of a notice of cancellation for *nonpayment of premium*.
7. *Renewal or to Renew* means the issuance or offer to issue by an insurer of a policy superceding a policy previously issued and delivered by the same insurer, or another insurer within the same group or under common management, or the issuance or delivery of a certificate or notice extending the term of a policy beyond its policy period or term. However, any policy with a policy period or term of less than one year shall be considered as if written for a policy period or term of one year, and any policy with no fixed expiration date or with a policy period or term of more than one year shall be considered as if written for successive policy periods or terms of one year.
8. *Required Policy Period* means a period of one year from the date a *covered policy* is renewed or first issued.
9. *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.
10. *Terms* as used in this policy means provisions, limitations, exclusions, definitions and conditions.

B. PRINCIPAL COVERAGES-COVERAGE A-BUILDINGS AND COVERAGE B-BUSINESS PROPERTY

We provide insurance for the following coverages indicated by a specific limit of insurance on the Declarations page.

Coverage A-Building

This policy covers the building on the *insured premises* described on the Declarations Page which includes:

1. completed additions and attached extensions;
2. fire extinguishing apparatus;
3. floor coverings;
4. permanent fixtures, machinery and equipment forming a part of or pertaining to the services of the building or its premises;
5. personal property of the *insured* as landlord used to maintain or service the building including refrigerating, ventilating, cooking, dishwashing and laundering equipment;
6. shades and outdoor furniture;
7. If not covered by other insurance:
 - a. additions under construction, alterations and repairs to the building or structure;
 - 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 building or structure.
 Additions, alterations and repairs are included within the Coverage A limit of insurance and do not increase the Coverage A limit of insurance.
8. If *you* own the described building, Coverage A—Building also includes:
 - a. storm doors, sash and screens;
 - b. awnings, canopies or their supports;

Coverage A does not cover:

1. antennas (outdoor), satellite antennas, their lead-in wiring, accessories, masts and towers;
2. awnings, canopies or their supports if **you** do not own the building;
3. driveways, parking lots, sidewalks or paved surfaces;
4. fences that are not a permanent part of the building;
5. foundations which are below the under surface of the lowest floor or below ground level if there is no basement, retaining walls that are not a part of the building, cost of excavations, or grading and filling;
6. land, including land on which the property is located;
7. outdoor signs;
8. personal property in apartments or rooms furnished by the **insured** as landlord;
9. pools, piers, docks and wharfs;
10. property which is more specifically insured in whole or in part by any other insurance except for the excess of the amount due (whether **you** can collect it or not) from that other insurance;
11. trees, plants, shrubs and lawns;
12. underground pipes, flues and drains;
13. vehicles or self propelled vehicles designed for use on public roads, aircraft, or watercraft, including motors, equipment and accessories;
14. water, either underground or surface water;
15. windmills, wind pumps, crop silos or metal smokestacks.

Coverage B-Business Property

This policy covers **your Business** Property in the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises. This includes:

1. furniture and fixtures;
2. machinery and equipment not servicing the building;
3. **stock**;
4. **your** interest in the property of others to the extent of the labor, materials or services furnished or arranged by **you** on such property;
5. **your** use interest as tenant in improvements and betterments. Improvements and betterments are fixtures, alterations, installations or additions;
 - a. made a part of the building or structure **you** occupy but do not own; and
 - b. **you** acquired or made at **your** expense but cannot legally remove;
6. all other **business** property owned by **you** and used in **your business**.

Coverage B does not cover the following property

(Limited coverage of some of these types of property is included in the Incidental Coverages).

1. accounts, bills, currency or deeds;
2. aircraft, including equipment and accessories;
3. animals, unless held as **stock** within the described building(s);
4. antennas (outdoor), satellite antennas, their lead-in wiring, accessories, masts and towers;
5. **automobiles**;
6. awnings, canopies or their supports if **you** own the building;
7. bullion and manuscripts;
8. **business** property away from the **insured premises**;
9. contraband, or property in the course of illegal transportation or trade;
10. standing crops;
11. electronic devices, accessories or antennas that may be operated from the electrical system of a motorized vehicle, farm equipment or watercraft. This includes films, tapes, wires, discs, records or other media for use with such devices;
12. evidences of debt;
13. fences;
14. household or personal property;
15. loss due to **business** interruption or delay;
16. money, credit card receipts and securities;
17. outdoor signs;
18. pools, piers, docks and wharfs;
19. property of others;

20. recreational vehicles, including equipment and accessories;
21. the cost to research, replace or restore the information on valuable papers and records, including those which exist on electronic or magnetic media;
22. trees, plants, shrubs and lawns;
23. vehicles or self propelled vehicles designed for use on public roads;
24. watercraft, including motors, equipment and accessories.

C. INCIDENTAL COVERAGES

This policy also provides Incidental Coverages. These Incidental Coverages are subject to all of the *terms* of the applicable Principal Coverages, A or B. These Incidental Coverages do not increase the Limit of Insurance stated for the Principal Coverages.

1. *Removal.*

a. *Emergency Removal:*

- (1) If *you* remove property covered by this policy from the *insured premises* to preserve it from damage from covered causes of loss, *we* pay for loss. Once removed, such property is covered against direct loss from covered causes of loss, not specifically excluded under this policy, for a period up to ten days. This coverage does not extend past the expiration date of the policy.
- (2) *We* pay up to \$250 towing charge to move a covered mobile structure endangered by a covered cause of loss.

b. *Debris Removal-We* cover the cost of moving debris of the covered property caused by a covered cause of loss under this policy. This coverage does not include costs to:

- (1) extract pollutants from land or water; or
- (2) remove, restore or replace polluted land or water.

We will not pay any more under this debris removal coverage than 25 percent of the amount *we* pay for the direct loss or damage. *We* will not pay more for loss to property and debris removal combined than the limit of insurance for the property.

We will not pay any expenses unless they are reported to *us* within 180 days of the direct physical loss or damage to covered property.

2. *Repairs-We* cover the cost of repairs that are reasonable and necessary to protect covered property from further damage after damage resulting from a covered cause of loss. *We* will not pay more for loss to property and repairs combined than the limit of insurance for the property.

3. *Change of Location-When you* move to another location, the Coverage B limit of insurance applies pro rata at each location for 30 days from the date *you* begin to move but not extending past the expiration date of the policy. When *you* move, this Change of Location coverage applies in place of *your* coverage for property *While Away From The Insured premises.*

4. *While Away From the Insured Premises-*(This coverage applies only when an 80% or higher coinsurance provision is shown on the Declarations page).

You may apply up to 2% of the Coverage B limit of insurance, up to \$5,000 to *your business* property covered under this policy while temporarily at locations that *you* do not own, control, operate or lease.

This coverage applies only if loss or damage is caused by a cause of loss covered under this policy.

This coverage does not apply to:

- a. merchandise or *stock*;
- b. property held for rental;
- c. *your* business samples.

5. *Property of Others In Your Care, Custody or Control While On the Described Premises-*(This coverage applies only when an 80% or higher coinsurance provision is shown on the Declarations page or if the type of policy on the Declarations page is indicated as *Business* owners).

You may apply up to 2% of the Coverage B limit of insurance, up to \$2,500 to cover the *business* property of others or to customer's goods in *your* care, custody or control.

This coverage applies only if loss or damage is caused by a covered cause of loss.

This coverage shall apply as an additional limit of insurance.

This coverage is only for the benefit of the owners of *business* property or to the owners of customer's goods.

6. *Business Credit Card, Forgery and Counterfeit Money.*

We pay up to \$500 per loss but no more than \$1,000 during each *required policy period* for loss sustained by an *insured* when such *insured*:

- a. becomes legally obligated to pay for the unauthorized use of *credit cards* issued or registered in the *insured's* name;
- b. suffers a loss through the forgery or alteration of checks, drafts, certificates of deposit and notes including negotiable orders of withdrawal; or

c. accepts in good faith counterfeit United States or Canadian paper currency.

We do not pay for loss if:

- the **insured** has not complied with the **terms** under which the **credit card** was issued;
- the loss is caused by the dishonesty of an **insured**;
- the loss occurs while a person, not an **insured**, has possession of the **credit card** with an **insured's** permission; or
- the loss involves a bank debit card or similar device used for the deposit, withdrawal or transfer of funds.

D. EXCLUSIONS AND LIMITATIONS THAT APPLY

For Exclusions, Limitations and Property Not Covered which may affect **your** coverage, see Principal Coverages, Incidental Coverages, the Causes of Loss Section and other endorsements added to **your** policy.

Coverage for some excluded or limited causes of loss may be available at an additional cost.

E. CONDITIONS THAT SUSPEND INSURANCE

- Your** insurance is suspended when any hazard is increased by any means within **your** knowledge or control.
- Your** insurance is suspended while a described building is vacant or unoccupied beyond a period of sixty consecutive days.

F. HOW MUCH WE PAY FOR LOSS OR CLAIM

Settlement of property losses covered by this policy shall be made in accordance with the following provisions.

- Property losses will be settled on the basis of the lesser of the following amounts:
 - the applicable limit of insurance;
 - the amount of **your** interest in the property;
 - the actual cash value of the property at the time of loss including an appropriate deduction for depreciation however caused;
 - the cost of repairing or replacing the property with materials of equivalent kind and quality to the extent practicable;
 - the amount computed after applying the deductible or other limitation applicable to the loss; or
 - (applies to mobile homes only at **your** option) the amount equal to the difference between the actual cash value of the property immediately before the loss and its actual cash value immediately after the loss.

2. **Coinsurance.**

If a coinsurance percentage applicable to a particular building and/or to **business** property is shown on the Declarations Page, then the following coinsurance provision applies to **your** policy:

Coinsurance Provision.

We require that **you** maintain a minimum limit of insurance when a coinsurance percentage is shown on the Declarations Page. If there is more than one building and/or **business** property designated on the Declarations Page as having coinsurance applicable, then the minimum insurance requirement applies separately to each building and/or **business** property.

The minimum limit of insurance required is the actual cash value of the insured property at the time of loss multiplied by the coinsurance percentage.

If the limit of insurance at the time of loss is less than the minimum limit of insurance required, **we** will pay only a part of the loss. **Our** part of the loss will be determined by dividing the limit of insurance on the property by the minimum limit of insurance required.

EXAMPLE—If **you** DO NOT maintain the required limit of insurance:

(NOTE: This example does not include a deductible).

a. Actual Cash Value	\$100,000
b. Coinsurance Percentage	80%
c. Minimum Limit of Insurance Required (\$100,000 x 80%)	\$ 80,000
d. Limit of Insurance (Amount shown on Declarations Page)	\$ 60,000
e. Amount of Loss as established under the provisions of 1. Above	\$ 20,000

In this example, **we** would pay **you** \$15,000. **We** arrive at this payment figure as follows:

- Our** part of the loss is 75%. (d. limit of insurance \$60,000 divided by c. limit of insurance required \$80,000).
- \$20,000 loss is then multiplied by the 75% percent figure computed in step 1. to arrive at the part of the loss **we** will pay.
- The uninsured loss is \$5,000.

NOTE: Under Coverage A—Building and Coverage B—**Business** Property the Incidental Coverages described in this policy shall NOT be considered in determining the actual cash value when applying the Coinsurance Provision.

3. **Replacement Cost Provision.**

If the Replacement Cost Provision (Form SF-27) is attached to this policy then losses to buildings and/or **business** property designated on that form shall be settled in accordance with the provisions contained in that form.

4. **Loss to a Pair or Set**-If there is loss to an article which is part of a pair or set, **we** are only liable for a reasonable proportion of the value of the entire pair or set, and the loss is not considered a total loss of the pair or set.

5. **Tenant's Improvements and Betterments**-will be valued at:

- a. actual cash value of the lost or damaged property if repaired or replaced at **your** expense within a reasonable time.
- b. a portion of **your** original cost if **you** do not make repairs. **We** will determine the proportionate value in the following manner:
 - (1) multiply the original cost by the number of days from the loss or damage to the expiration of the lease; and
 - (2) divide the amount determined in (1) 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. **Deductible.**

The deductible applies to the following:

- a. Coverage A—Building.
- b. Coverage B—**Business** Property.
- c. Incidental Coverages.
- d. All additional property coverages added by endorsement.

The deductible applies to all covered causes of loss unless otherwise stated in the Declarations or any endorsement.

e. **We** pay only that part of the loss over the deductible stated in the Declarations or endorsement. Not more than one deductible applies per loss but:

- 1) If this policy covers more than one building, the deductible applies separately to each building.
- 2) If this policy covers only **business** property, the deductible applies separately to **business** property in each building.

f. If coverage is otherwise restricted by special limits of insurance, **our** liability must be separately computed under both the deductible and the special limit of insurance. **We** pay the lesser of the two amounts.

g. If the same deductible amount applies to **your** building, and **business** property within that building, one deductible shall apply to the loss for the building and **business** property within that building; otherwise, the higher of any applicable deductible shall apply.

7. **Insurance Under More Than One Coverage**-If more than one coverage of this policy insures the same loss. **we** pay no more than the actual claim, loss or damage sustained.

8. **Insurance Under More Than One Policy.**

a. **You** may have other insurance subject to the same plan, **terms**, conditions and provisions as the insurance under this policy. 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 policy bears to the Limits of Insurance of all insurance covering on the same basis.

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

9. **Restoration of Limit of Insurance**-Any loss **we** pay under this policy does not reduce the limits of insurance applying to a later loss.

G. PAYMENT OF LOSS OR CLAIM

1. In the event of loss or damages to property covered under this policy **we** will:

- a. pay the loss in money;
- b. rebuild, repair or replace with property of equivalent kind and quality, to the extent practicable, within a reasonable time.

c. take all or any part of damaged property at the agreed or appraised value. Any property paid for or replaced shall become *our* property.

We will give notice of *our* intent to rebuild, repair or replace within 30 days after receipt of a duly executed proof of loss.

2. **Your Property**-*We* will adjust all losses with *you*. An insured loss will be payable after a satisfactory proof of loss is received, and the amount of the loss has been established either by written agreement with *you* or the filing of an appraisal award with *us*. Payment will be made to *you* unless another loss payee is named in the policy.

3. **Property of Others**-Losses to property of others may be adjusted with *you*. *We* reserve the right to adjust with and pay to the owners. Payment to the owners satisfies *our* obligation to *you* for loss to this property. *We* may also choose to defend *you* against any *suits* arising from claims of the owners of property.

4. **Liens for Unpaid Taxes.**

We are required by the Insurance Law to deduct the claim of any tax district from the amount *we* pay *you* for a loss by fire.

To the extent *we* pay any tax district the amount certified as *your* unpaid taxes, *we* are no longer obligated to pay this amount to *you*.

Our payment of such claim to the tax district within 30 days of the receipt of a certificate of lien shall be considered by *you* and *us* that such claim was valid and properly paid.

H. WHAT YOU MUST DO IN CASE OF LOSS

1. **Notice.**

a. In case of a loss or if *you* become aware of anything that indicates there might be a claim under this policy, *you* must:

- (1) promptly give *us* or *our* agent notice (in writing if requested);
- (2) promptly notify the police when the act causing the loss is also a violation of law.

b. The notice to *us* must state:

- (1) *your* name, the kind of policy, policy number and the time, place and circumstances of the loss; and
- (2) names and addresses of any potential witnesses.

2. **Protect Property**-*You* must take all reasonable steps to protect covered property at and after an insured loss to avoid further damage. *We* pay for repairs which are reasonable and necessary to protect the property from further damage, provided *you* keep an accurate record of such expenses. These payments do not increase the limit of insurance otherwise applicable to the loss.

3. **Cooperation**-*You* must cooperate with *us* in performing all acts required by this policy.

4. **Volunteer Payments**-*You* must not, except at *your* own cost, voluntarily make any payments, assume any obligations, pay or offer any rewards, or incur any other expenses.

5. **Proof of Loss**-*You* must submit to *us* a proof of loss (sworn to by *you* if requested) within 60 days after the loss or accident containing the following information:

- (1) the time, place and circumstances of loss;
- (2) *your* interest and the interests of all others in the property involved, including all mortgages and liens on the covered property;
- (3) other policies of insurance that may cover the loss on the property;
- (4) changes in title or occupancy of the property during the policy period;
- (5) available plans and specifications of buildings or structures;
- (6) detailed estimates for repair of the damage; and
- (7) if requested, an inventory of damaged personal property showing in detail the quantity, description, cost, actual cash value and amount of loss. *You* must attach to the inventory copies of all bills, receipts and related documents that substantiate the inventory.

6. **Additional Duties**-*You* must:

- a. if requested, submit to examination under oath at such times as may be reasonably required about any matter relating to this insurance or *your* claim, including *your* books and records. In such event, *your* answers must be signed;
- b. exhibit the damaged property as often as *we* reasonably request;
- c. produce records, including tax returns and bank microfilms of all cancelled checks, relating to value, loss and expenses and permit copies and extracts to be made of them as often as *we* reasonably request;
- d. assist in enforcing any right of recovery which *you* may have against any party causing the loss.

I. POLICY CONDITIONS

In addition to the policy *terms* which are contained in other sections of this policy, the following conditions also apply.

1. **Assignment**-Assignment of this policy is not valid without *our* written consent.
2. **Cancellation**.
 - a. **By You-You** may cancel this policy at any time by giving *us* written notice or returning the policy to *us* and stating when thereafter the **cancellation** is to be effective.
 - b. **By Us-We** may cancel this policy by written notice delivered to or mailed to *you* at the address shown in the policy (and to *your* authorized agent or broker if required). Proof of delivery or mailing is sufficient proof of notice.

This notice must be delivered or mailed the required number of days prior to the effective date of the **cancellation**. For a description of the number of days of required notice, refer to: (1) **Nonpayment of premium**, (2) **New Policy** or (3) **All Other Situations**.

- c. **When We May Cancel-We** may cancel this policy under the following conditions:
 - (1) **Nonpayment of Premium**-If the premium has not been paid when due, *we* may cancel at any time by delivering or mailing to *you* the required notice at least fifteen days before cancellation is effective. Payment by *you* to the insurer, or to an agent or broker authorized to receive such payment, shall be considered timely if made within fifteen days after the mailing to *you* of a notice of cancellation for **nonpayment of premium**.
 - (2) **New Policy**-If this is a new policy which has been in effect less than sixty days, *we* may cancel for any reason by delivering or mailing the required notice to the first named **insured** at the mailing address shown in the policy at least twenty days before cancellation is effective. If upon review during this time period *we* find that a statutory provision/provisions for cancellation applies/apply, *we* may cancel this policy by mailing written notice to the first named **insured** at the mailing address shown in the policy at least fifteen days before cancellation is effective.
 - (3) **All Other Situations**-After a **covered policy** has been in effect for sixty days, or upon the effective date if such policy is a **renewal**, no notice of cancellation shall become effective until fifteen days after notice is delivered or mailed to the **insured** and such cancellation is based on one or more of the following statutory provisions:
 - (A) **Nonpayment of premium**;
 - (B) Conviction of a crime arising out of acts increasing the hazard insured against;
 - (C) Discovery of fraud or material misrepresentation in the obtaining of the policy or in the presentation of a claim thereunder;
 - (D) After issuance of the policy or after the last **renewal** date, discovery of an act or omission, or a violation of any policy condition, that substantially and materially increases the hazard insured against and which occurred subsequent to inception of the current policy period;
 - (E) Material physical change in the property insured, occurring after issuance or last annual **renewal** anniversary date of the policy, which results in the property becoming uninsurable in accordance with the insurer's objective, uniformly applied underwriting standards in effect at the time the policy was issued or last renewed; or material change in the nature or extent of the risk, occurring after issuance or last annual renewal anniversary date of the policy, which causes the risk of loss to be substantially and materially increased beyond that contemplated at the time the policy was issued or last renewed;
 - (F) Required pursuant to a determination by the superintendent that continuation of the present premium volume of the insurer would jeopardize that insurer's solvency or be hazardous to the interests of policyholders of the insurer, its creditors or the public;
 - (G) A determination by the superintendent that the continuation of the policy would violate or would place the insurer in violation of the law;
 - (H) Where the insurer has reason to believe, in good faith and with sufficient cause, that there is a probable risk or danger that the **insured** will destroy, or permit to be destroyed, the **insured** property for the purpose of collecting the insurance proceeds, provided, however, that:
 - (i) a notice of cancellation on this ground shall inform the **insured** in plain language that the **insured** must act within ten days if review by the Insurance Department of the ground for **cancellation** is desired pursuant to item (iii) of this subparagraph (H); and
 - (ii) notice of cancellation on this ground shall be provided simultaneously by the insurer to the Insurance Department; and
 - (iii) upon written request of the **insured** made to the department within ten days from the **insured's** receipt of notice of cancellation on this ground, the Insurance Department shall undertake a review of the ground for cancellation to determine whether or not the insurer has satisfied the criteria for cancellation specified in this subparagraph; if after such review the department

finds no sufficient cause for **cancellation** on this ground, the notice of cancellation on this ground shall be deemed null and void.

- (I) With respect to professional liability insurance policies, revocation or suspension of the **insured's** license to practice his/her profession or, if the **insured** is a hospital, it no longer possesses a valid operating certificate under section twenty-eight hundred one-a of the public health law.
 - d. **We** refund the premium for the unexpired policy period on a pro rata basis.
 - e. **Refund of Premium**—Payment or tender of unearned premium is not a condition of cancellation. If the unearned premium is not refunded with the cancellation notice, it will be sent to **you** within a reasonable time.
 - f. **Loss Notice**—The company must advise the first named **insured** that he/she is entitled to loss information upon written request.
3. **Renewal/Nonrenewal.**
- 3a. **Nonrenewal**—**We** may elect not **to renew** or continue this policy by delivering or mailing to **you** and **your** authorized agent or broker written notice of **our** intent not **to renew**.
 - a. Such notice must:
 - (1) be given at least sixty but not more than one hundred twenty days in advance of the end of the **required policy period**.
 - (2) state **our** specific reason(s) for nonrenewal.
 - (3) be delivered or mailed to **you** at the address shown in the policy and to **your** authorized agent or broker. Proof of delivery or mailing is sufficient proof of notice.
 - (4) Loss Notice—The company must advise the first named **insured** that he/she is entitled to loss information upon written request.
 - (5) Requirements for nonrenewal shall not apply if the named **insured**, or an agent or broker authorized by the named **insured**, or another insurer of the named **insured** has delivered or mailed written notice that the policy has been replaced or is no longer desired.
 - b. Prior to the expiration date of this policy, in the event that a late nonrenewal notice is provided by the insurer, the coverage under this policy shall remain in effect:
 - (1) at the same **terms** and conditions contained in the expiring policy; and
 - (2) at the lower of the current rates or the prior period's rates until sixty days after the notice is delivered or mailed unless the **insured** elects to cancel sooner.
 - c. In the event that a timely and substantially complete notice is not provided by the insurer prior to the expiration date of the policy, coverage shall remain in effect:
 - (1) on the same **terms** and conditions of the expiring policy;
 - (2) for another **required policy period**; and
 - (3) at the lower of the current rates or the prior period's rates.

However, if the insurer has established the standards and procedures required by the law relating to notice requirements and the failure to comply with these standards and procedures is a result of inadvertence or clerical mistake, then the rates applicable to the remainder of the additional **required policy period** shall be the insurer's current rates at the **terms** and conditions of the expiring policy.
 - d. The issuance of a late or incomplete nonrenewal notice by the insurer shall not create a new annual aggregate liability limit (if any) for the **covered policy**, except that the annual aggregate limit of the expiring policy shall be increased in proportion to the policy extension, including any additional **required policy period** caused by the late or incomplete notice of nonrenewal.
 - e. If the insurer provides a timely notice of nonrenewal and thereafter the insurer extends the policy for ninety days or less, an additional notice of nonrenewal is not required with respect to the extension period.
 - 3b. **Conditional Renewal**—**We** may elect **to renew** or continue this policy under certain conditions. **We** may do so by delivering or mailing to **you** and **your** authorized agent or broker written notice.
 - a. This notice must:
 - (1) be delivered or mailed to **you** at least sixty but not more than one hundred twenty days in advance of the end of the **required policy period**;
 - (2) contain specific reason(s) for the conditional **renewal**;
 - (3) set forth the amount of any premium change if the increase is in excess of 10% unless the increase is due to increased insured values and/or increased coverages or is due to experience rating, retrospective rating or audit;
 - (4) set forth the nature of any proposed change(s) in the policy such as change(s) in limits, change(s) in type(s) of coverage(s), reduction(s) in coverage(s), increased deductible or the addition of an exclusion or exclusions;

- (5) be delivered or mailed to the named *insured* at the address listed in the policy and to an authorized agent or broker of the *insured*. Proof of delivery or mailing is sufficient proof of notice; and
 - (6) include a statement advising the first named *insured* that upon written request the company will provide loss information.
- b. Prior to the expiration date of the policy, in the event that an incomplete or late conditional *renewal* notice is provided by the insurer, the coverage under this policy shall remain in effect at:
- (1) the same *terms* and conditions of the expiring policy, and
 - (2) the lower of the current rates or the prior period's rates until sixty days after the notice is delivered or mailed unless the *insured* elects to cancel sooner.

However, if the *insured* elects to accept the *terms*, conditions and rates of the conditional *renewal* notice and renews the policy on that basis, then such *terms*, conditions and rates shall govern the policy upon expiration of such sixty-day period.

- c. In the event that a timely and substantially complete conditional *renewal* notice is not provided by the insurer prior to the expiration date of the policy, then coverage under the policy:
- (1) remains in effect for an additional *required policy period*;
 - (2) remains at the same *terms* and conditions as the expiring policy; and
 - (3) the rates for the additional *policy period* will be the lower of the current rates or the previous period's rates.

However, if the insurer has established the standards and procedures required by law relating to notice requirements, and the failure to comply with these standards and procedures is a result of inadvertence or clerical mistake, then the rates applicable to the remainder of the additional *required policy period* shall be the *insured's* current rates at the *terms* and conditions of the expiring policy.

- d. The issuance of a late or incomplete conditional *renewal* notice by the insurer shall not create a new annual aggregate limit (if any) for the *covered policy*, except that the annual aggregate limit of the expiring policy shall be increased in proportion to the policy extensions including any additional *required policy period*, caused by the late or incomplete conditional *renewal* notice.

However, if the *insured* accepts the *terms* of a conditional *renewal* offer, a new annual aggregate shall become effective as of the inception date of the *renewal*

- 3c. **Alternate Renewal Notice Procedure**-During the period of time the insurer is assessing its option(s) as to whether to nonrenew or conditionally renew a policy, the insurer must notify the *insured* and his/her authorized agent or broker.

This notice must contain the following:

- (1) The notice must be delivered or mailed at least sixty days prior to the expiration date of the policy;
- (2) The notice must be delivered or mailed to the named *insured* at the address in the policy and to an authorized agent or broker of the *insured*;
- (3) The notice must advise the *insured* that the policy will be either nonrenewed or renewed at different *terms*, conditions or rates;
- (4) The notice must advise the *insured* that a **SECOND NOTICE** will be sent at a later date;
- (5) The notice must advise the *insured* that coverage will continue at the same *terms*, conditions and rates until the later of:
 - (a) the expiration date, or
 - (b) 60 days after the **SECOND NOTICE** is delivered or mailed.
- (6) The **SECOND NOTICE** sent to the *insured* must advise the *insured*:
 - (a) of the specific reason or reasons for *nonrenewal* or conditional *renewal*, and
 - (b) of the amount of any premium increase if the increase is in excess of 10% and the nature of any other proposed changes.
- (7) The **SECOND NOTICE** must advise the first named *insured* that he/she is entitled to loss information upon written request.
- (8) If a substantially complete **SECOND NOTICE** is not delivered or mailed until after the expiration date of the policy, the *insured* is entitled to coverage under the policy:
 - (a) for an additional *required policy period*;
 - (b) at the same *terms* and conditions as the existing policy; and
 - (c) at the lower of the current rates or the rates of the previous period.

However, if the insurer has established the standards and procedures required by law relating to notice requirements and the failure to comply with these standards and procedures is a result of inadvertence or clerical mistake, then the rates applicable to the remainder of the additional *required policy period* shall be the *insured's* current rates at the *terms* and conditions of the expiring policy.

(9) No notice is necessary if the insurer receives a written notice from the *insured*, his/her authorized agent or broker, or another insurer that the policy is no longer desired or has been replaced.

3d. **Policies Written For A Term Of Less Than One Year**-For policies issued to an *insured* for a seasonal purpose or to a policy issued to cover a particular project that will be performed in less than one year, the following provisions apply:

- a. During the first sixty days such policy is in effect, no cancellation shall become effective until twenty days after written notice is delivered or mailed to the *insured* at the mailing address shown in the policy;
- b. After a policy has been in effect for sixty days, no notice of cancellation shall become effective until fifteen days after notice is delivered or mailed and such cancellation is based on one or more of the statutory provisions set forth in this form.
- c. After a policy has been in effect for sixty days, no premium increase for the term of the policy shall be made to become effective unless due to and commensurate with insured value added, subsequent to issuance pursuant to the policy or at the *insured's* request.

4. **Change, Modification or Waiver of Policy Terms**-A waiver or change of any *terms* of this policy must be issued by *us* in writing to be valid. *Our* request for an appraisal or examination under oath does not waive any of *our* rights.

If *we* adopt any revision of forms or endorsements during a policy period which would broaden coverage under this policy without additional premium, the broadened coverage will automatically apply to this policy. If this policy is issued on a continuous basis (with no specified expiration date), *we* may substitute or add, upon any anniversary date, forms or endorsements which are authorized for use on this policy in accordance with *our* manual rules in effect at the time.

5. **Conformity with Statute-Terms** of this policy, in conflict with the statutes of the state where the premises described in the Declarations are located, are amended to conform to such statutes.

6. **Misrepresentation, Concealment or Fraud**-This entire policy is void if, whether before or after a loss:

- a. An *insured* has willfully concealed or misrepresented:
 - (1) any material fact or circumstance concerning this insurance; or
 - (2) an *insured's* interest herein.
- b. There has been fraud or false swearing by an *insured* regarding any matter relating to this insurance or the subject thereof.
- c. The notice provisions of Section 3426 of the Insurance Law shall apply to this condition.

7. **Inspection**-*We* are permitted but not obligated to inspect *your* property and operations. *Our* inspection or any resulting advice or report does not warrant that *your* property or operations are safe or healthful or are in compliance with any law, rule or regulation.

8. **Policy Premium**-If this policy is issued without a specified expiration date, it may be continued by payment of the required premium for the next annual period. The premium must be paid to *us* on or before each anniversary date. The policy expires on any anniversary date that the premium has not been received by *us*. Premium is subject to adjustment on the basis of the rates in effect at each anniversary date.

9. **Recoveries**-If *we* pay an *insured* for loss under this policy, and lost or damaged property is recovered or payment is made by those responsible for the loss, the following provisions apply:

- a. The *insured* must notify *us* or *we* will notify the *insured* promptly if either recovers property or receives payment.
- b. Any proper expenses incurred by either party in making the recovery are reimbursed first.
- c. The *insured* may keep recovered property by refunding to *us* the amount of the claim paid or any lesser amount to which *we* agree.
- d. If the claim paid is less than the agreed loss due to a deductible, special limit of liability or other limiting *terms* of the policy, any recovery will be pro-rated between the *insured* and *us* based on *our* respective interests in the loss.

10. **Subrogation**

- a. If *we* make a payment under this policy, *we* may require that the *insured* assign to *us* his or her right of recovery against any person for the loss to the extent of the payment. The *insured* must do everything necessary to make this assignment and secure *our* rights.
- b. *We* are not liable for any loss if an *insured* does anything after the loss occurs to impair *our* right to recover. *You* may waive *your* right of recovery in writing before a loss occurs without voiding the coverage.
- c. If *we* pay a loss to or on behalf of an *insured* and the *insured* recovers damages from another person for the same loss, the *insured* shall hold the amount recovered in trust for *us* and shall reimburse *us* as provided under Recoveries.

11. **Suit Against Us**-No *suit* to recover for any property claim may be brought against *us* unless:

- a. the *terms* of this policy have been fully complied with; and,
 - b. the *suit* is commenced within 2 years after the loss. If any law of the state where the premises described in the Declarations are located makes this limitation invalid, then *suit* must begin within the shortest period permitted by the law.
12. **Abandonment of Property**-We may take the property or any part of it at the agreed or appraised value, but an *insured* may not abandon the covered property to *us* unless *we* specifically agree.
13. **Appraisal**-If *you* and *we* do not agree on the cost to repair or replace, actual cash value of or amount of loss to covered property when loss occurs, either party may demand that these amounts be determined by appraisal. If either makes a written demand for appraisal, each will select a competent, independent appraiser and notify the other of the appraiser's identity within 20 days of receipt of the written demand. The two appraisers will then select a competent, impartial umpire. If the two appraisers are unable to agree upon an umpire within 15 days, *you* or *we* can ask a judge of a court of record in the state where the property is located to select an umpire. The appraisers will then determine the amount of the damage stating separately, in detail: the cost to repair or replace, actual cash value of, and amount of loss to each building item and item of personal property. If the appraisers submit a written report of any agreement to *us*, the amount agreed upon will be the amount of damage or value. If the appraisers fail to agree within a reasonable time, they will submit only their differences to the umpire. Written agreement so itemized and signed by any two of these three sets the cost to repair or replace, actual cash value of and amount of loss to each item. Each appraiser will be paid by the party selecting that appraiser. Other expenses of the appraisal and the compensation of the umpire will be paid equally by *you* and *us*.
14. **No Benefit to Bailee**-Insurance under this policy shall not directly or indirectly benefit any hired carrier or anyone else who is paid for assuming custody of covered property.
15. **Secured Party Coverage**-Applies Only to Coverage on **Business** Property.
(This entire clause is void unless the name of a secured party is inserted in the Declarations or the Supplemental Declarations. This clause applies only to the interest of a secured party and does not affect the *insured's* rights or duties under the policy).
If a secured party is named in this policy, any loss payable on property subject to the security interest shall be payable to the secured party and *you* as interest may appear. If there is more than one security interest in the same property, the order of payment shall be the same as their order of priority.
If *we* deny *your* claim, that denial shall not apply to a valid claim of a secured party if such party has:
- a. notified *us* of any change in ownership, occupancy or substantial change in risk of which the secured party became aware;
 - b. paid any premium due under the policy on demand if *you* have not made such payment; and
 - c. submitted a signed, sworn proof of loss within 60 days if an *insured* has failed to do so.
- Policy conditions relating to Appraisal, *Suit* Against *Us* and Loss Payment apply to the secured party. If the policy is canceled by *us*, the secured party shall be notified at least 15 days before the date cancellation takes effect. If *we* pay the secured party for any loss for which *we* have denied payment to *you*:
- a. *we* are subrogated to all the rights of the secured party granted under the security agreement; or
 - b. at *our* option *we* may pay the secured party the remaining amount due on the security agreement plus interest and receive a full assignment of the security agreement and any securities held as collateral for the agreement.
- However, the secured party's interest is not covered for conversion, embezzlement or secretion by an *insured* in possession of the encumbered property, unless specifically insured against and premium paid for such.
16. **Mortgage Clause**-Applies only to Coverage on Buildings
(This entire clause is void unless the name of the mortgagee (mortgage holder), or trustee under a trust deed, is inserted in the Declarations. This clause applies only to the mortgagee (or trustee) and does not affect *your* rights or duties under this policy).
- a. *We* will pay for loss or damage to buildings to each mortgagee shown on the Declarations and to *you* as interests may appear. If more than one mortgagee is named in the Declarations, they shall be paid in order of priority.
 - b. The mortgagee is entitled to receive loss payment even if the mortgagee has started foreclosure or other similar proceedings on the building or structure.
 - c. The insurance for the mortgagee continues in effect even when *your* insurance may be void because of *your* acts, neglect or failure to comply with policy *terms* provided that the mortgagee:
 - (1) Pays any premium due under this policy at *our* request insofar as *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) Notifies *us* of any change in ownership, occupancy or substantial change in risk known to the mortgagee.

If all of these conditions are met, then the *terms* of this policy will apply directly to the mortgagee.

- d. If *we* pay the mortgagee for a loss where *your* insurance may be void as a result of *your* acts, neglect or failure to comply with policy *terms* then:
- (1) The mortgagee's rights under the mortgage will be transferred to *us* to the extent of the amount *we* pay; and
 - (2) The mortgagee's right to recover the remainder of the mortgage debt from *you* will not be impaired. At *our* option, *we* may pay the mortgagee the remaining principal and accrued interest in return for a full assignment of the mortgagee's interest and any instruments given as security for the mortgage debt.
- e. If *we* cancel this policy, *we* will give written notice to the mortgagee at least:
- (1) 10 days before the effective date of cancellation if *we* cancel for *nonpayment of premium* or other statutory reasons; or
 - (2) 30 days before the effective date of cancellation if *we* cancel for any other reason.
- f. If *we* do not renew this policy, *we* will give written notice to the mortgagee at least 10 days before the expiration of this policy.



SF-345
Ed. 12/00

MECHANICAL, ELECTRICAL OR PRESSURE SYSTEMS BREAKDOWN

Refer to Supplemental Declarations if information is not shown on this form.

We provide coverage under this endorsement subject to the *terms* contained in the General Policy Provisions.

Policy No. _____.

Named *Insured*: _____.

COVERED CAUSES OF LOSS

We pay for direct physical loss to covered property caused by covered causes of loss.

CONDITIONS APPLICABLE TO MECHANICAL, ELECTRICAL OR PRESSURE SYSTEMS BREAKDOWN

1. Any mechanical, electrical or pressure systems breakdown is covered only against loss from the causes of loss shown in the underlying property insurance afforded by *your* policy. This endorsement, and its extensions of coverage, is intended to follow and apply to only those applicable causes of loss shown in the property section of *your* policy.
2. The specific *terms* and conditions of this endorsement shall take precedence over any other conflicting *terms* and conditions stated in any other part of *your* policy.
3. The additional *terms* and conditions applicable to the coverage extensions shown below shall be in addition to all other *terms* and conditions of *your* policy.
4. Any specific amounts of insurance shown in this endorsement shall take precedence over any other amounts of insurance or limits of liability shown elsewhere in *your* policy.
5. Whenever mechanical, electrical or pressure covered property is found to be in, or exposed to, a dangerous condition, any of *our* representatives may immediately suspend the insurance against loss or damage to that covered property. This can be done by delivering or mailing a written notice of suspension to *your* last know address or the address where the covered property is located.

Once suspended, *your* insurance can be reinstated only by an endorsement to this policy for that equipment.

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.

WHAT WE PAY FOR

Mechanical, electrical or pressure systems breakdown means direct damage to covered property as follows:

1. Mechanical breakdown, including rupture or bursting caused by centrifugal force;
2. Artificially generated electrical current, including electrical arcing, that disturbs electrical devices, appliances or wires;
3. Explosion of steam boilers, steam pipes, steam engines and steam turbines owned or leased by *you*, or operated under *your* control;
4. Loss or damage to steam boilers, steam pipes, steam engines or steam turbines; or;
5. Loss or damage to hot water boilers or other water heating equipment.
6. If covered electrical equipment requires drying out as a result of moisture; *we* pay for the direct expenses of such drying out.

WHAT WE DO NOT PAY FOR

As respects mechanical, electrical or pressure system breakdown coverage, the following properties are not covered under the *terms* of this endorsement.

1. insulating or refractory material;
2. underground vessels or pipes;
3. sewer pipes, pipes forming a part of a fire protective system or water pipes other than feed water pipes between any boiler and its feed pump or injector, boiler condensate return pipes or water pipes forming a part of refrigerating and air conditioning vessels and pipes used for cooling, dehumidifying or space heating purposes;
4. structure, foundation, cabinet or compartment containing the object;
5. power shovel, dragline, excavator, vehicle, aircraft, floating vessel or structure, penstock, draft tube, well casing;

6. conveyor, crane, elevator, escalator or hoist, but not excluding any electrical machine or electrical apparatus mounted on or used with this equipment; and
7. felt, wire, screen, die, extrusion, plate, swing hammer, grinding disc, cutting blade, cable chain, belt, rope, clutch plate, brake pad, non-metallic part or any part or tool subject to frequent, periodic replacement.

EXTENSIONS OF COVERAGE

1. Hazardous Substances Remediation:

We pay up to \$25,000 for reasonable expenses *you* incur for clean up and disposal of pollutants generated by a covered mechanical, electrical or pressure systems breakdown and for repair or replacement of covered property which is damaged, contaminated, or polluted by a released substance declared by an authorized governmental agency to be hazardous to health. This incidental coverage does not increase the amount of insurance stated for the principal coverages.

2. Consequential Losses:

We pay up to \$25,000 for loss of perishable goods due to spoilage resulting from lack of power, light, heat, steam or refrigeration caused by a covered cause of loss. The damaged personal property must be on or within 1,000 feet of the described premises and it must be property owned by *you* or property of others for which *you* are legally liable.

3. Utilities Interruption:

We pay for loss to covered property by power interruption as the direct result of damage to covered property on or within 1,000 feet of the described premises caused by a covered cause of loss.

4. Expediting Expenses:

With respect to damaged covered property, *we* pay the reasonable and necessary extra cost to make temporary repairs, expedite permanent repairs; or to expedite permanent replacement.

5. Refrigerant Contamination:

We pay for loss to personal property contaminated by escaping refrigerant caused by a covered cause of loss to refrigerating, cooling or humidity control equipment at the described premises. The most *we* pay is \$25,000 in any single occurrence for loss or damage covered under this coverage extension.

6. Loss of Income, meaning loss of income resulting directly from the necessary interruption of *your* business by a covered cause of loss, is covered for up to a 30 day period. The deductible does not apply to this agreement.

Under this agreement, income is defined as the sum of:

- a. net profit;
- b. payroll expenses;
- c. taxes;
- d. interest;
- e. rents and all other necessary operating expenses incurred by the business.

We pay up to \$25,000, or any larger amount shown on the Declarations, for the loss of income which shall be the income *your* business could be reasonably expected to have earned during the period of interruption had no loss occurred less the income *your* business actually earned during that period. In no event will *we* pay more than the reduction in income less charges and expenses which do not necessarily continue during the period. Coverage also applies to expenses *you* incur to reduce loss of income, not otherwise covered by any other agreement in this policy, but only to the extent that they actually reduce *your* loss of income.

You shall make every reasonable effort to resume complete or partial operation as soon as possible and, where practicable, use substitute facilities and property.

We do not pay for any loss of income:

1. resulting from suspension, lapse or cancellation of any lease, license, contract or order.
2. caused directly or indirectly by enforcement of any local or state ordinance or law regulating the construction, repair or demolition of buildings or structures.
3. caused directly or indirectly by interference at the premises by strikers or other persons with rebuilding, repairing or replacing property or with the resumption or continuation of operations.

All other *terms* and conditions remain unchanged.



LS-82
Ed. 7/96

REDEFINITION OF INSURED

For Use With LS-6

Refer to Supplemental Declarations if information is not shown on this form.

We provide coverage under this endorsement subject to the *terms* contained in the General Policy provisions.

DEFINITIONS

When the *named insured* is organized as a limited liability company, the definition of *insured* as shown in the policy is deleted and replaced by the following amended definition:

Insured-Each of the following is an *insured* under the conditions and limitations set forth below:

- a. if the *named insured* is an individual, both the individual and his/her spouse are *insureds* but only with respect to the conduct of a *business* of which he/she is the sole proprietor.
- b. if the *named insured* is a partnership or joint venture, any partner or member and their spouses is an *insured* but only with respect to the conduct of the *business*.
- c. if the *named insured* is an organization, the executive officers, members of the board of trustees, directors, and governors are *insureds* while acting within the scope of their duties as officers and directors. Stockholders are also *insureds* but only with respect to their liability as stockholders.
- d. if the *named insured* is a limited liability company, the members and managers are *insureds* while acting within the scope of their duties as members and managers.
- e. any person (other than an employee of the *named insured*) or organization while acting as real estate manager for the *named insured*.
- f. with respect to the operation, for the purpose of locomotion upon a public highway, of *mobile equipment* registered under any motor vehicle registration law,
 - (i) an employee of the *named insured* while operating any such equipment in the course of his/her employment; and
 - (ii) any other person while operating with the permission of the *named insured* any such equipment registered in the name of the *named insured* and any person or organization legally responsible for such operation, but only if there is no other valid and collectible insurance available, either on a primary or excess basis, to such person or organization;

provided that no person or organization shall be an *insured* under this paragraph (f) with respect to:

- 1) *bodily injury* to any co-employee of the person driving the equipment; or
 - 2) *property damage* to property owned by, rented to, in charge of or occupied by the *named insured* or the employer of any person described in subparagraph (ii).
- g. *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.
- h. as respects *bodily injury*, *property damage*, *personal injury* and *advertising injury* coverages under the provision **Insured**, the following is added as an *insured*:
any employee of the *named insured* while acting within the scope of his/her duties, BUT the insurance afforded to such employee DOES NOT APPLY:
- a) to *bodily injury* or *personal injury* to another employee of the *named insured* arising out of or in the course of his/her employment;
 - b) to *bodily injury* or *personal injury* arising out of his or her providing or failing to provide professional health care services;
 - c) to *personal injury* or *advertising injury* to the *named insured* or, if the *named insured* is a partnership, joint venture or limited liability company, any partner, member or manager or the spouse of any partner, member or manager.

This insurance DOES NOT APPLY to liability arising out of the conduct of any partnership, joint venture, or limited liability company of which the *insured* is a partner or member and which is not designated in this policy as a *named insured*.



GENERAL LIABILITY COVERAGE BUSINESS GENERAL LIABILITY INSURANCE (EXTRA COVERAGE)

AGREEMENT

We agree to provide *Business* General Liability Insurance and other related coverages described in this Policy during the policy period in return for payment of the required premium. This agreement is subject to all the *terms* of this policy. The complete *Business* General Liability Insurance coverage consists of the Declarations page, this booklet, and other endorsements which may be added, including required state endorsements. It is important that *you* read each part of this policy carefully to understand the coverage provided, *your* obligations and *our* obligations under the policy. Each coverage is subject to all *terms* relating to that coverage. The following Table of Contents shows how the coverage part is organized and will help *you* locate particular sections.

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A. DEFINITIONS-The following definitions apply to this policy:

1. The words *you* and *your* refer to the person or entity named in the Declarations, and the words *we*, *us* and *our* refer to the insurance company named in the Declarations.
2. **Advertising Injury** means injury, other than *bodily injury*, arising out of an offense committed during the policy period occurring in the course of the *named insured's* advertising activities, if such injury arises out of libel, slander, defamation, violation of right of privacy, misappropriation of advertising ideas or style of doing business or infringement of copyright, title or slogan.
3. **Automobile** means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any machinery or apparatus attached to the *automobile*. *Automobile* DOES NOT INCLUDE *mobile equipment*.
4. **Bodily Injury** means *bodily injury*, sickness or disease sustained by any person which occurs during the policy period, including death at any time resulting from such *bodily injury*, sickness or disease. The definition of *bodily injury* is amended to include *Incidental Medical Malpractice Injury*.
5. **Business** means a trade, profession, or other occupation including farming, all whether full or part time, or the rental of any property to others.
6. **Coverage Territory** means:
 - a) The United States of America, including its territories and possessions, Puerto Rico and Canada;
 - b) international waters or airspace, provided the injury or damage does not occur in the course of travel or transportation to or from any place not included in a) above;
 - c) anywhere in the world if the injury or damage arises out of:
 - (1) goods or *products* made or sold by *you* in the territory described in a) above; or
 - (2) the activities of a person whose home is in the territory described in a) above but is away for a short time on *your business*; and

- (3) the *insured's* responsibility to pay damages is determined in a *suit* on the merits in the territory described in a) above or in a settlement *we* agree to.
7. **Covered Policy** means a policy of commercial risk insurance, professional liability insurance or public entity insurance.
8. **Elevator** means any hoisting or lowering device to connect floors or landings, whether or not in service, and all appliances pertaining to the *elevator*, including any car, platform, shaft, hoistway, stairway, runway, power equipment and machinery; THIS DOES NOT INCLUDE:
- an *automobile* servicing hoist;
 - a hoist without a platform outside a building if without mechanical power or if not attached to building walls;
 - a hod or material hoist used in alteration, construction or demolition operations;
 - an inclined conveyor used exclusively for carrying property; or
 - a dumbwaiter used exclusively for carrying property and having a compartment height not exceeding four feet.
9. **Impaired property** means tangible property (other than *your product* or *your work*) that cannot be used or is less useful because:
- whose value has been decreased:
 - because it includes *your product* or *your work* that is, or believed to be, defective, deficient or dangerous; or
 - because *you* failed to carry out the *terms* of a contract or agreement; and
 - whose value can be restored to use:
 - by the repair, replacement, adjustment or removal of *your product* or *your work*; or
 - by *your* fulfilling the *terms* of the contract.
10. **Incidental Medical Malpractice Injury** means injury arising out of the rendering of or failure to render, during the policy period, the following services:
- medical, surgical, dental, x-ray or nursing service or treatment or the furnishing of food or beverages in connection with such services; or
 - the furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances.
- Incidental Medical Malpractice Injury** does not apply to:
- expenses incurred by the *insured* for first-aid to others at the time of an accident;
 - any *insured* engaged in the *business* or occupation of providing any of the services described in a) or b) above; or
 - injury caused by an indemnitee if such indemnitee is engaged in the *business* or occupation of providing any of the services described in a) or b) above.
11. **Insured**—Each of the following is an *insured* under the conditions and limitations set forth below:
- if the *named insured* is an individual, both the individual and his/her spouse are *insureds* but only with respect to the conduct of a *business* of which he/she is the sole proprietor;
 - if the *named insured* is a partnership or joint venture, any partner or member and their spouses is an *insured* but only with respect to the conduct of the *business*.
 - if the *named insured* is an organization, the executive officers, members of the board of trustees, directors, and governors are *insureds* while acting within the scope of their duties as officers and directors. Stockholders are also *insureds* but only with respect to their liability as stockholders.
 - any person (other than an employee of the *named insured*) or organization while acting as real estate manager for the *named insured*.
 - any person or organization having proper temporary custody of *your* property if *you* die, but only:
 - with respect to liability arising out of the maintenance or use of that property; and
 - until *your* legal representative has been appointed.
 - 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.
 - with respect to the operation, for the purpose of locomotion upon a public highway, of *mobile equipment* registered under any motor vehicle registration law,
 - an employee of the *named insured* while operating any such equipment in the course of his employment, and
 - any other person while operating with the permission of the *named insured* any such equipment registered in the name of the *named insured* and any person or organization legally responsible for such operation, but only if there is no other valid and collectible insurance available, either on a primary or excess basis, to such person or organization;
- provided that no person or organization shall be an *insured* under this paragraph (e) with respect to:

- (1) **bodily injury** to any co-employee of the person driving the equipment; or
 - (2) **property damage** to property owned by, rented to, in charge of or occupied by the **named insured** or the employer of any person described in subparagraph (ii).
- h) as respects **bodily injury, property damage, personal injury** and **advertising injury** coverages under the provision **Insured**, the following is added as an **insured**:
any employee of the **named insured** while acting within the scope of his duties, BUT the insurance afforded to such employee DOES NOT APPLY:
- (a) to **bodily injury** or **personal injury** to another employee of the **named insured** arising out of or in the course of his/her employment;
 - (b) to **bodily injury** or **personal injury** arising out of his or her providing or failing to provide professional health care services;
 - (c) to **personal injury** or **advertising injury** to the **named insured** or, if the **named insured** is a partnership or joint venture, any partner or member or the spouse of any partner or member.

This insurance DOES NOT APPLY to **bodily injury** or **property damage** arising out of the conduct of any current or past partnership or joint venture of which the **insured** is a partner or member and which is not designated in this policy as a **named insured**.

i) **Automatic Coverage-Newly Acquired Organizations (90 days)**.

The word **insured** shall include as **named insured** any organization which is acquired or formed by the **named insured** and over which the **named insured** maintains ownership or majority interest, other than a joint venture, provided this insurance DOES NOT APPLY to **bodily injury, property damage, personal injury** or **advertising injury** with respect to which such new organization under this policy is also an **insured** under any other similar liability or indemnity policy or would be an **insured** under any such policy BUT for exhaustion of its limits of liability. The insurance afforded **you** shall terminate 90 days from the date any such organization is acquired or formed or the end of the policy period whichever is earlier.

Coverage L does not apply to **bodily injury** or **property damage** that occurred before **you** acquired or formed the new organization.

Coverage P does not apply to **personal injury** or **advertising injury** arising out of an offense committed before **you** acquired or formed the new organization.

12. **Insured Contract** means:

- a) lease of premises;
- b) easement agreement, except in connection with the construction or demolition operations on or adjacent to a railroad;
- c) undertaking to insure a municipality against a loss, required by municipal ordinance, except in connection with **work** for the municipality;
- d) sidetrack agreement;
- e) **elevator** maintenance agreement;
- f) an easement or license agreement in connection with vehicle or pedestrian private railroad crossings at grade;
- g) that part of any other contract or agreement pertaining to **your business** under which **you** assume the tort liability of another to pay damages because of **bodily injury** or **property damage** to a third person or organization, if the contract or agreement is made prior to the **bodily injury** or **property damage**. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

An **insured contract** does not include that part of any contract or agreement:

- a) that indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (1) preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or
 - (2) giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage;
- b) under which the **insured**, if an architect, engineer or surveyor, assumes liability for injury or damage arising out of the **insured's** rendering or failing to render **professional services**, including those listed in a) above and supervisory, inspection or engineering services; or
- c) that indemnifies any person or organization for damage by fire to premises rented or loaned to **you**.

13. **Medical Expense** means expenses for necessary medical, surgical, x-ray and dental services, including prosthetic devices, and necessary ambulance, hospital, professional nursing and funeral services.

14. **Mobile Equipment** means any of the following types of land vehicles, including any attached machinery or equipment:

- a) bulldozers; farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b) vehicles maintained for use solely on or next to premises **you** own or rent;

- c) vehicles that travel on crawler treads;
- d) vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1) power cranes, shovels, loaders, diggers or drills; or
 - (2) road construction or resurfacing equipment such as graders, scrapers or rollers;
- e) vehicles not described in 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 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 *automobiles*:

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

15. **Named Insured** means the person or entity named in the Declarations.

16. **Named Insured's Products** means goods or *products* manufactured, sold, handled, distributed or disposed of by the *named insured*, or by others trading under his/her name, or a person or organization whose *business* or assets *you* have acquired.

Products includes:

- a) warranties or representations made at any time with respect to the fitness, quality, durability, or performance of *your products*; and
- b) containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or *products*.

Products does not include:

- a) vending machines;
- b) property that is rented to or placed for the use of others, but not sold; or
- c) real property.

17. **Nonpayment of Premium** means the failure of the *named insured* to discharge any obligation in connection with the payment of premiums on a policy of insurance or any installment of such premium, whether the premium is payable directly to the insurer or its agent, or indirectly under any premium finance plan or extension of credit. Payment to the *insurer*, or to an agent or broker authorized to receive such payment, shall be timely if made within fifteen days after the mailing to the *insured* of a notice of cancellation for *nonpayment of premium*.

18. **Occurrence** means an accident including continuous or repeated exposure to substantially similar conditions, which results in *bodily injury* or *property damage* neither expected nor intended from the standpoint of the *insured*. The definition of *occurrence* includes any intentional act by or at the direction of the *insured* which results in *bodily injury*, if such injury arises solely from the use of reasonable force for the purpose of protecting persons or property.

19. **Personal Injury** means injury, other than *bodily injury* arising out of one or more of the following offenses committed during the policy period:

- (1) false arrest, detention, imprisonment, or malicious prosecution;
- (2) wrongful entry into, or eviction of a person from, a room, dwelling or premises that the person occupied;
- (3) a publication or utterance which:
 - (a) libels or slanders a person or organization or disparages a person's or organization's goods, *products* or services;
 - (b) is in violation of an individual's right of privacy;

20. **Pollution** means *bodily injury* or *property damage* arising out of the actual, alleged or threatened discharge, dispersal, release or escape of pollutants:

- (1) at or from premises owned, rented or occupied by the *named insured*;
- (2) at or from any site or location used by or for the *named insured* or others for the handling, storage, disposal, processing or treatment of *waste*;

- (3) which are at any time transported, handled, stored, treated, disposed of, or processed as **waste** by or for the **named insured** or any person or organization for whom the **named insured** may be legally responsible; or
- (4) at or from any site or location on which the **named insured** or any contractors or subcontractors working directly or indirectly on behalf of the **named insured** are performing operations:
 - (i) if the pollutants are brought on or to the site or location in connection with such operations; or
 - (ii) if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize the pollutants.

For the purpose of this provision, pollutant 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.

21. **Products/Completed Operations Hazard.**

- a) **Products hazard** means **bodily injury** or **property damage** occurring away from premises **you** own or rent and arising out of **your product** after physical possession of it has been relinquished to others.
- b) **Completed operations hazard** means **bodily injury** or **property damage** arising out of **your work**. It does not include **work** that has not been completed or that has been abandoned.

Your work is deemed completed at the earliest of the following times:

- (1) when all **work** specified in **your** contract has been done;
- (2) when all **work** to be done at a job site has been completed if **your** contract includes **work** at more than one site; or
- (3) when **your work** at a job site has been put to its intended use by someone other than another contractor or subcontractor working on the same job site.

Work which requires further service, maintenance, correction, repair or replacement because of a defect or deficiency, but which is otherwise complete, shall be deemed completed.

- c) Neither of these hazards 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, created by loading or unloading;
 - (2) the presence of tools, uninstalled equipment or abandoned or unused materials; or
 - (3) **products** or **work** for which the classification on the Declarations page or Supplemental Declarations page specifies "including **Products/Completed Operations**".

22. **Professional Service** means:

- a) the rendering or failure to render:
 - (1) any professional service; or
 - (2) any cosmetic, ear piercing, tonsorial, massage, physiotherapy, chiropody, hearing aid, optical or optometrical services or treatments; or
 - (3) any service or treatment conducive to health or of a professional nature; or
- b) the furnishing or dispensing of drugs or medical, dental or surgical supplies; or
- c) the handling of or performing of autopsies on dead bodies.

23. **Property Damage** means:

- a) physical injury to or destruction of tangible property which occurs during the policy period, including the loss of use at any time resulting from such physical injury or destruction; or
- b) loss of use of tangible property which has not been physically injured or destroyed provided such loss of use is caused by an **occurrence** during the policy period.

24. **Renewal or to Renew** means the issuance or offer to issue by an insurer of a policy superceding a policy previously issued and delivered by the same insurer, or another insurer within the same group or under common management, or the issuance or delivery of a certificate or notice extending the term of a policy beyond its policy period or term. However, any policy with a policy period or term of less than one year shall be considered as if written for a policy period or term of one year, and any policy with no fixed expiration date or with a policy period or term of more than one year shall be considered as if written for successive policy periods or terms of one year.

25. **Required Policy Period** means a period of one year from the date as of which a **covered policy** is renewed or first issued.

26. **Suit** means a civil proceeding in which damages because of **bodily injury**, **property damage**, **personal injury** or **advertising injury** to which this insurance applies are alleged. **Suit** includes an arbitration proceeding alleging such damages to which **you** must submit or submit with **our** consent.

27. **Terms** as used in this policy means provisions, limitations, exclusions, definitions and conditions.

28. **Your Work**-means:

- a) **work** or operations performed by **you** or on **your** behalf;
- b) materials, parts and equipment **you** supply for such **work** or operations; and

- c) written warranties or representations made at any time regarding quality, fitness, durability or performance of any of the foregoing.
29. "**X**" **Explosion** means damage to property described on the Declarations page resulting from **explosion** or blast EXCEPT **property damage**:
- arising out of the **explosion** of air or steam vessels, piping under pressure, prime movers, machinery or power transmitting equipment; or
 - arising out of operations performed for the **named insured** by independent contractors; or
 - included within the **completed operations hazard** or the **underground property damage hazard**; or
 - for which liability is assumed by the **insured** under an **incidental contract**.
30. "**C**" **Collapse** means the **collapse** of or structural injury to a building or structure due to:
- grading of land, excavating, burrowing, filling, back-filling, tunneling, pile driving, cofferdam **work** or caisson **work**; or
 - moving, shoring, under-pinning, raising or demolition of any building or structure, or removal or rebuilding of any structural support.
- The **collapse hazard** DOES NOT INCLUDE **property damage**:
- arising out of operations performed for the **named insured** by independent contractors; or
 - included within the **completed operations hazard** or the **underground property damage hazard**; or
 - for which liability is assumed by the **insured** under an **incidental contract**.
31. "**U**" **Underground property damage** means **property damage** to wires, conduits, pipes, mains, sewers, tanks, tunnels, any similar property, and an apparatus in connection with them, beneath the surface of the ground of water, caused by and occurring during the use of mechanical equipment for the purpose of grading land, paving, excavating, drilling, burrowing, filling, back-filling or pile driving. The **underground property damage hazard** DOES NOT INCLUDE **property damage**:
- arising out of operations performed for the **named insured** by independent contractors; or
 - included within the **completed operations hazard**; or
 - for which liability is assumed by the **insured** under an **incidental contract**.

B. PRINCIPAL COVERAGES

Coverage L-Bodily Injury and Property Damage

We provide **bodily injury** or **property damage** coverage only if a limit of liability is shown on the Declarations page or the Supplemental Declarations page. The **bodily injury** or **property damage** must be caused by an **occurrence**. The **occurrence** must take place in the **coverage territory** and during the policy period.

WHAT WE PAY FOR-COVERAGE L

We pay up to **our** limit of liability shown, all sums for which the **insured** is legally obligated to pay as damages because of **bodily injury** or **property damage** caused by an **occurrence** to which this coverage applies. We assume no other obligations or liability to pay sums or to perform acts or services unless the coverage is specifically provided for in the Supplementary Payments. We shall have the right and duty to defend any **suit** seeking damages, even if any of the allegations of the **suit** are groundless, false or fraudulent, provided the **suit** resulted from **bodily injury** or **property damage** not excluded under this coverage. We may make any investigation and settle any claim or **suit** that we decide is appropriate. We are not obligated to provide a defense, after we have paid, either by judgment or settlement, an amount equal to **our** limit of liability.

- 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**.
- Property damage** that is loss of use of tangible property that is not physically injured shall be deemed to occur at the time of the **occurrence** that caused it.

Coverage M-Premises Medical Payments.

We provide **premises medical payments** coverage for the limit shown on the Declarations page or the Supplemental Declarations page.

WHAT WE PAY FOR-COVERAGE M

We will pay to or for each person who sustains **bodily injury** caused by accident all reasonable **medical expense** incurred and reported to us within one year from the date of the accident on account of such **bodily injury**, provided such **bodily injury** arises out of an accident which takes place in the **coverage territory** and during the policy period and that the accident arises from one of the following:

- a condition on the **premises you** own or rent;
- on ways next to **premises you** own or rent;
- operations with respect to which the **named insured** is afforded coverage for **bodily injury** liability under the policy;

We will make these payments regardless of fault. These payments will not exceed the applicable limit of liability.

THE FOLLOWING EXCLUSIONS APPLY TO **COVERAGE M-PREMISES MEDICAL PAYMENTS COVERAGE**.

WHAT WE DO NOT PAY FOR

We do not pay for **bodily injury**:

- (1) to any **insured**, any tenant of the **insured** or other person regularly residing on the **insured premises** or any person hired by or on behalf of any **insured** to do **work** for an **insured**;
- (2) to any person if the **bodily injury** occurs on that part of the premises **you** own or rent that the person normally occupies;
- (3) to any person while engaged in maintenance and repair of the **insured premises** or alteration, demolition or new construction at such premises;
- (4) to any person if any benefits for such **bodily injury** are payable or required to be provided under any worker's compensation, unemployment compensation or disability benefits law, or under any similar law;
- (5) to any person practicing, instructing or participating in any physical training, sport, athletic activity or contest whether on a formal or informal basis;
- (6) included within the **products/completed operations hazard**;
- (7) excluded under Coverage L;
- (8) due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution; or
- (9) for any **medical expense** for services by the **named insured**, any employee or any person or organization under contract to the **named insured** to provide such services.

Coverage N-Products/Completed Operations.

We provide **bodily injury** and **property damage** coverage only if a limit of liability is shown on the Declarations page or the Supplemental Declarations page. The **bodily injury** or **property damage** must be caused by an **occurrence**. The **occurrence** must take place in the **coverage territory** and during the policy period.

WHAT WE PAY FOR-COVERAGE N.

We pay, up to **our** limit of liability shown, all sums for which the **insured** is legally obligated to pay as damages because of **bodily injury** or **property damage** arising out of the **Products/Completed Operations Hazard**, to which this coverage applies. We assume no other obligations or liability to pay sums or to perform acts or services unless the coverage is specifically provided for in the Supplementary Payments. We shall have the right and duty to defend any **suit** seeking damages, even if any of the allegations of the **suit** are groundless, false or fraudulent, provided the **suit** resulted from **bodily injury** or **property damage** not excluded under this coverage. We may make any investigation and settle any claim or **suit** that we decide is appropriate. We are not obligated to provide a defense after we have paid, either by judgment or settlement, an amount equal to **our** limit of liability.

Coverage O-Fire Legal Coverage-Real Property.

We pay for **property damage** to buildings, or parts thereof, which **you** rent if the **property damage** is caused by fire for which **you** are legally liable. Buildings include fixtures permanently attached hereto.

The limit of **property damage** liability for Fire Legal Liability is \$50,000 each **occurrence** unless otherwise stated on the Declarations page or Supplemental Declarations page.

All of the exclusions otherwise applicable to **property damage** do not apply to this coverage.

WHAT WE DO NOT PAY FOR.

1. liability arising under any contract to indemnify any person or organization for damages by fire to the premises; or
2. liability arising out of **property damage** expected, directed or intended by an **insured**.

Coverage P-Personal Injury and Advertising Injury Coverage

Coverage is extended to include **Personal Injury** and **Advertising Injury Coverage**.

WHAT WE PAY FOR.

We will pay on behalf of the **insured** all sums which the **insured** shall become legally obligated to pay as damages because of **personal injury** or **advertising injury** to which this insurance applies. No other obligation or liability to pay sums or perform acts or services is covered unless specifically provided for under Supplementary Payments. We

shall have the right and duty to defend any *suit* against the *insured* seeking damages on account of such injury, even if any of the allegations of the *suit* are groundless, false or fraudulent, and may make such investigation and settlement of any claim or *suit* as *we* judge expedient. *We* shall not be obligated to pay any claim or judgment or to defend any *suit* after the applicable limit of *our* liability has been exhausted by payment of judgments or settlements. The amount *we* will pay for damages is limited as described in the section, **HOW MUCH WE PAY FOR LOSS OR CLAIM.**

- a) This insurance applies to *personal injury* only if caused by an offense:
 - (1) Committed in the *coverage territory* during the policy period; and
 - (2) arising out of the conduct of *your business*, excluding advertising, publishing, broadcasting or telecasting done by or for *you*.
- b) This insurance applies to *advertising injury* only if caused by an offense committed:
 - (1) in the *coverage territory* during the policy period; and
 - (2) in the course of advertising *your* goods, *products* or services.

THE FOLLOWING EXCLUSIONS APPLY TO COVERAGE P-PERSONAL INJURY AND ADVERTISING INJURY COVERAGE

WHAT WE DO NOT PAY FOR

- a) *Personal injury* or *advertising injury*:
 - (1) arising out of oral or written publication of material, if done by or at the direction of the *insured* with knowledge of its falsity;
 - (2) arising out of oral or written publication of material whose first publication took place before the beginning of the policy period;
 - (3) arising out of the willful violation of a penal statute or ordinance committed by or with the consent of the *insured*; or
 - (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.
- b) *Advertising injury* arising out of:
 - (1) breach of contract, other than misappropriation of advertising ideas under an implied contract;
 - (2) the failure of goods, *products* or services to conform with advertised quality or performance;
 - (3) the wrong description of the price of goods, *products* or services; or
 - (4) an offense committed by an *insured* whose *business* is advertising, broadcasting, publishing or telecasting.

C. SUPPLEMENTARY PAYMENTS

This policy provides the following Supplementary Payments. These incidental coverages are subject to the *terms* of the Principal Coverages. These Supplementary Payments do not increase the limit of liability stated for the principal coverages except: Claims and Defense Expense Coverage.

1. **Claims and Defense Expense Coverage**-*We* pay the following expenses incurred in connection with a *suit* defended by *us* under the *bodily injury* and *property damage* liability coverage:
 - a) costs taxed to the *insured*;
 - b) expenses incurred by *us*;
 - c) actual loss of earnings by an *insured*, up to \$100 per day, for time spent away from *work* at *our* request;
 - d) other necessary expenses incurred at *our* request;
 - e) prejudgment interest awarded against the *insured* on that part of the judgment *we* pay. If *we* make an offer to pay the applicable limit of insurance, *we* will not pay any prejudgment interest based on that period of time after the offer;
 - f) interest accruing after entry of a judgment but ending when *we* tender or pay up to the applicable limit of liability;
 - g) premiums on appeal bonds or bonds to release attachments up to *our* limit of liability (*we* are not required to apply for or furnish any bonds); and
 - h) premiums up to \$500 per bail bond required of any *insured* because of an accident or traffic law violation arising out of the use of any vehicle to which this policy applies. (*We* are not required to apply for or furnish any bonds).
2. **First Aid Coverage**-*We* pay the expenses incurred for first aid to others at the time of an accident and for *bodily injury* to which this policy applies.

D. EXCLUSIONS

Exclusions that apply to *Bodily Injury* and *Property Damage*:

We do not pay for loss resulting directly or indirectly from the following, unless specific coverage is added to **your** policy.

WE DO NOT PAY FOR:

- a) **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) **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) assumed in a contract or agreement that is an **insured contract**; or
 - (2) that the **insured** would have in the absence of the contract or agreement;
- c) **bodily injury** or **property damage** arising out of the ownership, maintenance, operation, use, entrusting, loading or unloading of:
 - (1) any **automobile** or aircraft owned or operated by or rented or loaned to any **insured**, or
 - (2) any other **automobile** or aircraft operated by any person in the course of his/her employment by any **insured**; BUT this exclusion DOES NOT APPLY:
 - (1) to the parking of an **automobile** on the **insured premises**, if such **automobile** is not owned by or rented or loaned to any **insured**.
 - (2) to liability assumed under any **insured contract** for the ownership, maintenance or use of aircraft; or
 - (3) to **bodily injury** or **property damage** arising out of the operation of any of the equipment described in paragraph f)(2) or f)(3) of the definition of **mobile equipment**;
- d) **bodily injury** or **property damage** arising out of:
 - (1) the ownership, maintenance, operation, use, entrusting, loading or unloading of any **mobile equipment** while being used in any prearranged or organized racing, speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity; or
 - (2) the operation or use of any snowmobile or trailer designed for use with a snowmobile;
- e) **bodily injury** or **property damage** arising out of and in the course of the transportation of **mobile equipment** by an **automobile** owned, or operated by, or rented or loaned to any **insured**;
- f) **bodily injury** or **property damage** arising out of the ownership, maintenance, operation, use, entrusting, loading or unloading of:
 - (1) any watercraft owned or operated by or rented or loaned to any **insured**; or
 - (2) any other watercraft operated by any person in the course of his/her employment by any **insured**; BUT this exclusion DOES NOT APPLY:
 - (1) to watercraft while ashore on the **insured premises you** own or rent;
 - (2) a watercraft **you** do not own that is less than 26 feet long and not being used to carry persons or property for a charge;
 - (3) liability assumed under any **insured contract** for the ownership, maintenance or use of watercraft;
- g) **bodily injury** or **property damage** included within the **pollution** definition. Nor do **we** pay for any loss, cost or expense arising out of any governmental direction or request that the **named insured** test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants. This exclusion does not apply to **bodily injury** or **property damage** caused by heat, smoke or fumes from a hostile fire. For the purpose of this exclusion, hostile fire means a fire which becomes uncontrollable or breaks out from where it was intended to be;
- h) **bodily injury** or **property damage** due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution. This exclusion applies only to liability assumed under a contract or agreement;
- i) **bodily injury** or **property damage** for which any **insured** may be held liable by reason of:
 - (1) causing or contributing to the intoxication of any person;
 - (2) the furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
 - (3) the violation of any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if **you** are engaged in the **business** of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

This exclusion DOES NOT APPLY with respect to liability of the **insured** or his indemnitee arising out of the giving or serving of alcoholic beverages at functions incidental to the **named insured's business**, provided the **named insured** is not engaged in the **business** of manufacturing, distributing, selling or serving of alcoholic beverages;

j) any obligation for which the *insured* or any carrier as his insurer may be held liable under any workers' compensation, unemployment compensation or disability benefits law, or under any similar law;

k) ***bodily injury***:

(1) to any employee of the *insured* arising out of and in the course of his/her employment by the *insured* for which the *insured* may be liable as an employer or in any other capacity;

(2) sustained by the spouse, child, parent, brother, or sister of an employee of the *insured* as a consequence of ***bodily injury*** to such employee arising out of and in the course of his/her employment by the *insured* as an employer or in any other capacity;

(3) to any obligation of the *insured* to share damages with or repay someone else who must pay damages arising out of such injury.

This exclusion applies to all claims and *suits* by any person or organization for damages because of such injury including damages for care and loss of services.

This exclusion DOES NOT APPLY to liability assumed by the *insured* under an *insured contract*;

l) ***Property damage*** to:

(1) property *you* own, rent, or occupy;

(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) property in *your* care, custody or control;

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

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

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***;

m) ***property damage*** to ***impaired property*** or tangible property that has not been physically injured or destroyed resulting from:

(1) a delay in or lack of performance by or on behalf of the ***named insured*** of any contract or agreement, or

(2) the failure of the ***named insured's products*** or ***work*** performed by or on behalf of the ***named insured*** to meet the level of performance, quality, fitness or durability warranted or represented by the ***named insured***; BUT this exclusion DOES NOT APPLY to loss of other tangible property resulting from the sudden and accidental physical injury to or destruction of the ***named insured's products*** or ***work*** performed by or on behalf of the ***named insured*** after such ***products*** or ***work*** have been put to use by any person or organization other than an *insured*;

n) ***property damage*** to the ***named insured's products*** arising out of such ***products*** or any part of such ***products***;

o) ***property damage*** to *your work* arising out of it or any part of it and included in the ***products/completed operations hazard***;

p) ***property damage*** included within:

(1) the ***explosion*** definition;

(2) the ***collapse*** definition; or

(3) the ***underground property damage*** definition;

q) ***bodily injury*** or ***property damage*** due to the rendering of or failure to render any ***professional service***.

This exclusion does not apply to injury defined in the definition of ***Incidental Medical Malpractice Injury***;

r) ***bodily injury*** or ***property damage***

(1) resulting directly or indirectly from the transmission of a communicable disease by an *insured* or employee of an *insured*;

(2) arising directly or indirectly out of instances, ***occurrences*** or allegations of sexual abuse or sexual harassment of any person by an *insured* or employees of an *insured*;

(3) arising directly or indirectly out of instances, ***occurrences*** or allegations of criminal activity by an *insured* or by employees of an *insured*;

This exclusion shall be applicable whether the excluded claims are made directly or are made indirectly or derivatively as claims of negligence or breach of contract;

s) 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.

E. WHAT YOU MUST DO IN CASE OF LOSS1. *Notice.*

a) In case of an *occurrence* or if *you* become aware of anything that indicates there might be a claim under this policy, *you* must give *us* or *our* agent notice (in writing if requested) as soon as practicable;

b) The notice to *us* must state:

(1) *Your* name, the kind of policy, policy number and the time, place and circumstances of the *occurrence*; and

(2) names and addresses of any potential claimants and witnesses.

2. *Cooperation-You* must cooperate with *us* in performing all acts required by this policy.

3. *Volunteer Payments-You* must not, except at *your* own cost, voluntarily make any payments, assume any obligations, or incur any other expenses except first aid to others at the time of *bodily injury*.

4. *Additional Duties Bodily Injury and Property Damage Coverages*-In the event of an *occurrence* which might result in a claim for *bodily injury* or *property damage* liability under this policy, *you* must also do the following:

a) promptly forward to *us* copies of all notices, demands or legal papers received in connection with the *occurrence*; and

b) at *our* request, assist in:

(1) making settlements;

(2) the conduct of *suits* including attending trials and hearings;

(3) enforcing any right of contribution or indemnification against any party who may be liable to any *insured* for the injury or damage;

(4) securing and giving evidence; and

(5) obtaining the attendance of witnesses.

5. *Medical Reports; Proof and Payment of Claim.*

As soon as practicable the injured person or someone on his/her behalf shall give to *us* written proof of claim, under oath if required, and shall, after each request from *us*, execute authorization to enable *us* to obtain medical reports and copies of records. The injured person shall submit to physical examination by physicians selected by *us* when and as often as *we* may reasonably require. *We* may pay the injured person or any person or organization rendering the services and the payment shall reduce the amount payable for such injury. Payment shall not constitute an admission of liability by any person or by *us*.

F. HOW MUCH WE PAY FOR LOSS OR CLAIM

For the purpose of determining *our* limit of liability, all *bodily injury* and *property damage* arising out of continuous or repeated exposure to substantially the same general condition(s) shall be considered as arising out of one *occurrence*.

1. The limit of liability stated on the Declarations page, the Supplemental Declarations page or attached endorsements and the conditions set forth below fix the maximum amounts *we* will pay for loss regardless of the number of:

a) persons insured under this policy;

b) persons or organizations who sustain *bodily injury* or *property damage*; or

c) claims made or *suits* brought.

2. The Each *Occurrence* limit, subject to the Aggregate limit of liability, is the most *we* will pay for the total of:

a) damages under Coverage L and P; and

b) *medical expenses* under Coverage M;

due to all *bodily injury* and *property damage* arising out of a single *occurrence*.

3. The *Products/Completed Operations* each *Occurrence* limit, subject to the *Products/Completed Operations* aggregate limit of liability, is the most *we* will pay for the total of damages under Coverage N due to all *bodily injury* and *property damage* arising out of a single *occurrence*.

4. The policy period shown on the Declarations page, the Supplemental Declarations page or other endorsements added to this policy may be for a period of one year or longer. HOWEVER, for the purpose of determining any or all aggregate limits of liability described in this section, or in endorsements attached to this policy, policy period means a one year period beginning with the inception date of the policy (and for each subsequent one year period if applicable).

EXAMPLE:

a) Policy Period as shown on the Declarations page or other endorsements.

from January 15, 1987
to January 15, 1990

- b) Initial Policy Period for determining aggregate limits. from January 15, 1987
to January 15, 1988
- c) Subsequent Policy Period(s) for determining aggregate limits. from January 15, 1988
to January 15, 1989
AND
from January 15, 1989
to January 15, 1990
5. The Aggregate limit of liability is the most *we* will pay during a policy period for the sum of:
- all damages under Coverage L and P;
 - all *medical expenses* under Coverage M.
6. The **Products/Completed Operations** Aggregate limit of liability is the most *we* will pay during a policy period under Coverage N for damages due to injury or damage included under the **Products/Completed Operations Hazard**.
7. Subject to the Aggregate limit of liability and the Each **Occurrence** limit, *our* limit of liability for **property damage** covered under Coverage O—Fire Legal Liability is \$50,000 for each **occurrence** unless otherwise indicated on the Declarations page, the Supplemental Declarations page or an endorsement attached to this policy.
8. Under Coverage M—Medical Payments, the limit of liability stated on the Declarations page or Supplemental page as applicable to *each person* is the limit of *our* liability for all *medical expenses* for **bodily injury** to any one person as the result of any one accident. *Our* total liability for all *medical expenses* for **bodily injury** to two or more persons as the result of any one accident will not exceed the limit of liability stated on the Declarations page or Supplemental Declarations page as applicable to *each accident*.
9. The Aggregate limit of liability and the Aggregate limit shown for **Products/Completed Operations** apply separately to each consecutive 12-month period beginning with the inception date of the General Liability Coverage shown on the Declarations page, the Supplemental Declarations page or attached endorsements. They apply separately to any remaining policy period of less than twelve months, unless the General Liability Coverage has been extended after it was written. In that case, the additional period will be considered part of the last preceding period for the purpose of determining limits.
10. **Insurance Under More Than One Policy.**
- Insurance under this General Liability Coverage is primary except as provided under paragraph 10c. below, or unless otherwise stated. The amount of *our* liability is not reduced because of other insurance which applies to the loss on other than a primary basis.
 - If the other insurance is also primary, *we* will share in the loss as follows:
 - If the other insurance provides for contribution by equal shares, *we* will pay equal amounts with other insurers until:
 - the lowest applicable limit under any one policy is reached; or
 - the full amount of the loss is paid. If part of the loss remains unpaid, *we* will pay an equal share with the other insurers until the full amount of the loss is paid, or until *we* have paid *our* limit in full.
 - If the other insurance does not provide for contribution by equal shares, *we* will pay no more than that proportion of the loss to which the applicable limit under this policy for such loss bears to the total applicable limit for all insurance against the loss.
 - Insurance under this General Liability Coverage is excess over any other insurance:
 - if the other insurance, whether primary, excess, contingent or on any other basis, provides:
 - fire, extended coverage, builders' risk, installation risk or similar coverage for **your work**; or
 - fire insurance for premises rented to **you**; or
 - if the other insurance applies to any loss arising out of the maintenance or use of aircraft, **autos** or watercraft which may be covered by this policy.
 - When this insurance is excess over any other insurance:
 - we* will have no duty under Coverage L to defend any claim or **suit** that any other insurer has a duty to defend. If no other insurer defends, *we* will do so. However, *we* will be entitled to the **insured's** rights against all those other insurers.
 - we* will pay *our* share of the amount of loss, if any, that exceeds the sum of:
 - the total amount that all such other insurance would pay for the loss in the absence of this insurance; and
 - the total of all deductibles and self-insured amounts required by such other insurance.*We* will share the remaining loss with any other insurance that is not described in this excess insurance provision and was not bought specifically to apply in excess of the limits of insurance shown on the

Declarations page, the Supplemental Declarations page or attached endorsements of this General Liability Coverage.

G. PAYMENT OF LOSS OR CLAIM

Any person, who has secured a judgment against an *insured* for an insured loss or has liability firmly established by a written agreement between the claimant, an *insured* and *us*, is entitled to recover under this policy to the extent of the coverage provided.

H. POLICY CONDITIONS

In addition to the policy *terms* which are contained in other sections of this policy, the following conditions also apply.

1. **Assignment**-Assignment of this policy is not valid without *our* written consent.

2. **Cancellation.**

a) By *You-You* may cancel this policy at any time by giving *us* written notice or returning the policy to *us* and stating when thereafter the *cancellation* is to be effective.

b) By *Us-We* may cancel this policy by written notice delivered to or mailed to *you* at the address shown in the policy (and to *your* authorized agent or broker if required). Proof of delivery or mailing is sufficient proof of notice.

This notice must be delivered or mailed the required number of days prior to the effective date of the *cancellation*. For a description of the number of days of required notice, refer to: (1) *Nonpayment of Premium*, (2) *New Policy* or (3) *All Other Situations*.

c) **When We May Cancel-We** may cancel this policy under the following conditions:

(1) **Nonpayment of Premium**-If the premium has not been paid when due, *we* may cancel at any time by delivering or mailing to *you* the required notice at least fifteen days before *cancellation* is effective. Payment by *you* to the insurer, or to an agent or broker authorized to receive such payment, shall be considered timely if made within fifteen days after mailing to *you* of a notice of cancellation for *nonpayment of premium*.

(2) **New Policy**-If this is a new policy which has been in effect less than sixty days, *we* may cancel for any reason by delivering or mailing the required notice to the *first-named insured* at the mailing address shown in the policy at least twenty days before *cancellation* is effective. If upon review during this time period, *we* find that a statutory provision/provisions for *cancellation* applies/apply, *we* may cancel this policy by mailing written notice to the *first-named insured* at the mailing address shown in the policy at least fifteen days before *cancellation* is effective.

(3) **All Other Situations**-After a *covered policy* has been in effect for sixty days, or upon the effective date if such policy is a *renewal*, no notice of *cancellation* shall become effective until fifteen days after notice is delivered or mailed to the *insured* and such *cancellation* is based on one or more of the following statutory provisions:

(A) **Nonpayment of premium;**

(B) Conviction of a crime arising out of acts increasing the hazard insured against;

(C) Discovery of fraud or misrepresentation in the obtaining of the policy or in the presentation of a claim thereunder;

(D) After issuance of the policy or after the last *renewal* date, discovery of an act or omission, or a violation of any policy condition, that substantially or materially increases the hazard insured against and which occurred subsequent to inception of the current policy period;

(E) Material physical change in the property insured, occurring after issuance or last annual *renewal* anniversary date of the policy, which results in the property becoming uninsurable in accordance with the insurer's objective, uniformly applied underwriting standards in effect at the time the policy was issued or last *renewed*; or material change in the nature or extent of the risk, occurring after issuance or last *renewal* anniversary date of the policy, which causes the risk of loss to be substantially and materially increased beyond that contemplated at the time the policy was issued or last *renewed*;

(F) Required pursuant to a determination by the superintendent that continuation of the present premium volume of the insurer would jeopardize that insurer's solvency or be hazardous to the interests of policyholders of the insurer, its creditors or the public;

(G) A determination by the superintendent that the continuation of the policy would violate or would place the insurer in violation of the law;

(H) Where the insurer has reason to believe, in good faith and with sufficient cause, that there is a probable risk or danger that the *insured* will destroy, or permit to be destroyed, the insured property for the purpose of collecting the insurance proceeds, provided, however, that:

- (i) a notice of cancellation on this ground shall inform the *insured* in plain language that the *insured* must act within ten days if review by the Insurance Department of the ground for *cancellation* is desired pursuant to item (iii) of this subparagraph (H); and
- (ii) notice of cancellation on this ground shall be provided simultaneously by the insurer to the Insurance Department; and
- (iii) upon written request of the *insured* made to the department within ten days from the *insured's* receipt of notice of cancellation on this ground, the Insurance Department shall undertake a review of the ground for *cancellation* to determine whether or not the insurer has satisfied the criteria for *cancellation* specified in this subparagraph; if after such review the department finds no sufficient cause for *cancellation* on this ground, the notice of cancellation on this ground shall be deemed null and void.

(I) With respect to professional liability insurance policies, revocation or suspension of the *insured's* license to practice his/her profession or, if the *insured* is a hospital, it no longer possesses a valid operating certificate under section twenty-eight hundred one-a of the public health law.

- d) *We* refund the premium for the unexpired policy period on a pro rata basis.
- e) *Refund of Premium*-Payment or tender of unearned premium is not a condition of *cancellation*. If the unearned premium is not refunded with the cancellation notice, it will be sent to *you* within a reasonable time.
- f) *Loss Notice*-The company must advise the *first-named insured* that he/she is entitled to loss information upon written request.

3. *Renewal/Nonrenewal*

3a) *Nonrenewal*-*We* may elect not to *renew* or continue this policy by delivering or mailing to *you* and *your* authorized agent or broker written notice of *our* intent not to *renew*.

a) Such notice must:

- (1) be given at least sixty but not more than one hundred twenty days in advance of the end of the *required policy period*.
- (2) state *our* specific reason(s) for *nonrenewal*.
- (3) be delivered or mailed to *you* at the address shown in the policy and to *your* authorized agent or broker. Proof of delivery or mailing is sufficient proof of notice.
- (4) Loss Notice-The company must advise the *first-named insured* that he/she is entitled to loss information upon written request.
- (5) requirements for *nonrenewal* shall not apply if the *named insured*, or an agent or broker authorized by the *named insured*, or another insurer of the *named insured* has delivered or mailed written notice that the policy has been replaced or is no longer desired.

b) Prior to the expiration date of this policy, in the event that a late *nonrenewal* notice is provided by the insurer, the coverage under this policy shall remain in effect:

- (1) at the same *terms* and conditions contained in the expiring policy; and
- (2) at the lower of the current rates or at the prior period's rates until sixty days after the notice is delivered or mailed unless the *insured* elects to cancel sooner.

c) In the event that a timely and substantially complete notice is not provided by the insurer prior to the expiration date of the policy, coverage shall remain in effect:

- (1) on the same *terms* and conditions of the expiring policy;
- (2) for another *required policy period*; and
- (3) at the lower of the current rates or the prior period's rates.

However, if the insurer has established the standards and procedures required by the law relating to notice requirements and the failure to comply with these standards and procedures is a result of inadvertence or clerical mistake, then the rates applicable to the remainder of the additional *required policy period* shall be the insurer's current rates at the *terms* and conditions of the expiring policy.

d) The issuance of a late or incomplete *nonrenewal* notice by the insurer shall not create a new annual aggregate liability limit (if any) for the *covered policy*, except that the annual aggregate limit of the expiring policy shall be increased in proportion to the policy extension, including any additional *required policy period*, caused by the late or incomplete notice of *nonrenewal*.

e) If the insurer provides a timely notice of *nonrenewal* and thereafter the insurer extends the policy for ninety days or less, an additional notice of *nonrenewal* is not required with respect to the extension period.

3b) *Conditional Renewal*-*We* may elect to *renew* or continue this policy under certain conditions. *We* may do so by delivering or mailing to *you* and *your* authorized agent or broker written notice.

a) This notice must:

- (1) be delivered or mailed to *you* at least sixty but not more than one hundred twenty days in advance of the end of the *required policy period*;
 - (2) contain specific reason(s) for the conditional *renewal*;
 - (3) set forth the amount of any premium change if the increase is in excess of 10% unless the increase is due to increased insured values and/or increased coverage or is due to experience rating, retrospective rating or audit;
 - (4) set forth the nature of any proposed change(s) in the policy such as change(s) in limits, change(s) in type(s) of coverage(s), reduction(s) in coverage(s), increased deductible or the addition of an exclusion or exclusions;
 - (5) be delivered or mailed to the *named insured* at the address listed in the policy and to an authorized agent or broker of the *insured*. Proof of delivery or mailing is sufficient proof of notice; and
 - (6) include a statement advising the *first-named insured* that upon written request the company will provide loss information.
- b) Prior to the expiration date of the policy, in the event that an incomplete or late conditional *renewal* notice is provided by the insurer, the coverage under this policy shall remain in effect at:
- (1) the same *terms* and conditions of the expiring policy, and
 - (2) the lower of the current rates or the prior period's rates
- until sixty days after the notice is delivered or mailed unless the *insured* elects to cancel sooner. However, if the *insured* elects to accept the *terms*, conditions and rates of the conditional *renewal* notice and renews the policy on that basis, then such *terms*, conditions and rates shall govern the policy upon expiration of such sixty-day period.
- c) In the event that a timely and substantially complete conditional *renewal* notice is not provided by the insurer prior to the expiration date of the policy, then coverage under the policy:
- (1) remains in effect for an additional *required policy period*;
 - (2) remains at the same *terms* and conditions as the expiring policy; and
 - (3) the rates for the additional *policy period* will be the lower of the current rates or the previous period's rates.
- However, if the insurer has established the standards and procedures required by law relating to notice requirements, and the failure to comply with these standards and procedures is a result of inadvertence or clerical mistake, then the rates applicable to the remainder of the additional *required policy period* shall be the *insured's* current rates at the *terms* and conditions of the expiring policy.
- d) The issuance of a late or incomplete conditional *renewal* notice by the insurer shall not create a new annual aggregate limit (if any) for the *covered policy*, except that the annual aggregate limit of the expiring policy shall be increased in proportion to the policy extensions including any additional *required policy period*, caused by the late or incomplete conditional *renewal* notice. However, if the *insured* accepts the *terms* of a conditional *renewal* offer, a new annual aggregate shall become effective as of the inception date of the *renewal*
- 3c) **Alternate Renewal Notice Procedure**-During the period of time the insurer is assessing its option(s) as to whether to nonrenew or conditionally renew a policy, the insurer must notify the *insured* and his/her authorized agent or broker.
- This notice must contain the following:
- (1) The notice must be delivered or mailed at least sixty days prior to the expiration date of the policy;
 - (2) The notice must be delivered or mailed to the *named insured* at the address in the policy and to an authorized agent or broker of the *insured*;
 - (3) The notice must advise the *insured* that the policy will be either nonrenewed or renewed at different *terms*, conditions or rates;
 - (4) The notice must advise the *insured* that a **SECOND NOTICE** will be sent at a later date;
 - (5) The notice must advise the *insured* that coverage will continue at the same *terms*, conditions and rates until the later of:
 - (a) the expiration date, or
 - (b) 60 days after the **SECOND NOTICE** is delivered or mailed.
 - (6) The **SECOND NOTICE** sent to the *insured* must advise the *insured*:
 - (a) of the specific reason or reasons for *nonrenewal* or conditional *renewal*; and
 - (b) of the amount of any premium increase if the increase is in excess of 10% and the nature of any other proposed changes.
 - (7) The **SECOND NOTICE** must advise the *first-named insured* that he/she is entitled to loss information upon written request.

(8) If a substantially complete **SECOND NOTICE** is not delivered or mailed until after the expiration date of the policy, the **insured** is entitled to coverage under the policy:

- (a) for an additional **required policy period**;
- (b) at the same **terms** and conditions as the existing policy; and
- (c) at the lower of the current rates or the rates of the previous period.

However, if the insurer has established the standards and procedures required by law relating to notice requirements and the failure to comply with these standards and procedures is a result of inadvertence or clerical mistake, then the rates applicable to the remainder of the additional **required policy period** shall be the **insured's** current rates at the **terms** and conditions of the expiring policy.

(9) No notice is necessary if the insurer receives a written notice from the **insured**, his/her authorized agent or broker, or another insurer that the policy is no longer desired or has been replaced.

3d) **Policies Written For A Term Of Less Than One Year**-For policies issued to an **insured** for a seasonal purpose or to a policy issued to cover a particular project that will be performed in less than one year, the following provisions apply:

- a) During the first sixty days such policy is in effect, no **cancellation** shall become effective until twenty days after written notice is delivered or mailed to the **insured** at the mailing address shown in the policy;
- b) After a policy has been in effect for sixty days, no notice of **cancellation** shall become effective until fifteen days after notice is delivered or mailed and such cancellation is based on one or more of the statutory provisions set forth in this form.
- c) After a policy has been in effect for sixty days, no premium increase for the term of the policy shall be made to become effective unless due to and commensurate with insured value added, subsequent to issuance pursuant to the policy or at the **insured's** request.

4. **Change, Modification, or Waiver of Policy Terms**-A waiver or change of any **terms** of this policy must be issued by **us** in writing to be valid.

5. **Conformity with Statute-Terms** of this policy, in conflict with the statutes of the state where the premises described in the Declarations are located, are amended to conform to such statutes.

6. **Misrepresentation, Concealment or Fraud**-This entire policy is void if, whether before or after a loss;

- a) an **insured** has willfully concealed or misrepresented:
 - (1) any material fact or circumstance concerning this insurance; or
 - (2) an **insured's** interest.
- b) there has been fraud or false swearing by an **insured** regarding any matter relating to this insurance or the subject.

7. **Inspection and Audit**-**We** are permitted but not obligated to inspect **your** property and operations. **Our** inspection or any resulting advice or report does not warrant that **your** property or operations are safe or healthful or are in compliance with any law, rule or regulation.

We may examine and audit the **named insured's** books and records at any time during the policy period and extensions of the policy period and within three years after the final termination of this policy, as far as they relate to the subject matter of this insurance.

8. **Subrogation**.

- a) If **we** make a payment under this policy, **we** may require that the **insured** assign to **us** his or her right of recovery against any person for the loss to the extent of the payment. The **insured** must do everything necessary to make this assignment and to secure **our** rights.
- b) **We** are not liable for any loss if an **insured** does anything after the loss occurs to impair **our** right to recover. **You** may waive **your** right of recovery in writing before a loss occurs without voiding the coverage.
- c) If **we** pay a loss to or on behalf of an **insured** and the **insured** recovers damages from another person for the same loss, the **insured** shall hold the amount recovered in trust for **us** and shall reimburse **us**.

9. **Suit Against Us**-No **suit** may be brought against **us** to recover amounts due for **bodily injury** or **property damage** liability unless:

- (1) the **terms** of this policy have been fully complied with; and
- (2) The amount of any **insured's** liability has been conclusively fixed:
 - (a) by a final judgment against the **insured** following trial; or
 - (b) by written agreement of the **insured**, the claimant and **us**.

No person shall have any right under this policy to join or implead **us** in any action brought to determine an **insured's** liability.

10. **Bankruptcy of an Insured**-Bankruptcy or insolvency of any **insured** or his or her estate does not relieve **us** of any of **our** obligations under this policy.

11. **Policy Period**-This policy applies only to **bodily injury** or **property damage** which occurs during the policy period.
12. **Liberalization Clause**-If **we** change any form attached to **your** policy, **you** will benefit by any coverage that is broadened or extended. There must not be any increased premium charge for this change in endorsement. This change must occur during the period that this policy is in force or within 45 days prior to the effective date of coverage.
13. **Premium**-All premiums for this insurance shall be computed in accordance with **our** rules, rates, rating plans, premiums and minimum premiums applicable to the insurance.
Premium designated in this policy as "provisional premium" is a deposit premium only which shall be credited to the amount of the earned premium due at the end of the policy period. At the close of each annual period (or part of the period terminating with the end of the policy period), the earned premium shall be computed for such period and upon notice to the **named insured** shall become due and payable. If the total earned premium for the policy period is less than the premium previously paid, **we** shall return to the **named insured** the unearned portion paid by the **named insured**.
The **named insured** shall maintain records of such information as is necessary for premium computation and shall send copies of such records to **us** at the end of the policy period and at such times during the policy period as **we** may direct.
14. **Financial Responsibility Laws**-When this policy is certified as proof of financial responsibility for the future under the provisions of any motor vehicle financial responsibility law, such insurance as is afforded by this policy for **bodily injury** liability or for **property damage** liability shall comply with the provisions of such law to the extent of the coverage and limits of liability required by such law. The **insured** agrees to reimburse **us** for any payment made by **us** which it would not have been obligated to make under the **terms** of this policy except for the agreement contained in this paragraph.

H. NUCLEAR EXCLUSION:

1. This policy does not apply:
 - a) Under any Liability Coverage, to **bodily injury** or **property damage**
 - (1) with respect to which an **insured** under this policy is also an **insured** under a nuclear energy liability policy issued by the Nuclear Energy Liability Insurance Association, The Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada or any of their successors, or would be an **insured** under any such policy but for its termination upon exhaustion of its limit of liability; or
 - (2) resulting from the **hazardous properties** of **nuclear material** and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any amending law, 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 U.S. agency, under any agreement entered into by the United States of America, or any U.S. agency, with any person or organization.
 - b) Under any Medical Payments Coverage, or under any Supplementary Payments provision relating to first aid, to expenses incurred with respect to **bodily injury** resulting from the **hazardous properties** of **nuclear material** and arising out of the operation of a **nuclear facility** by any person or organization.
 - c) Under any Liability Coverage, to **bodily injury** or **property damage** resulting from the **hazardous properties** of **nuclear material**, if
 - (1) the **nuclear material** (a) is at any **nuclear facility** owned by, or operated by or on behalf of an **insured**, or (b) has been discharged or dispersed;
 - (2) the **nuclear material** is contained in **spent fuel** or **waste** at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an **insured**; or
 - (3) the **bodily injury** or **property damage** arises out of the furnishing by an **insured** of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any **nuclear facility** but if such facility is located within the United States of America, its territories or possessions, or Canada, this exclusion (3) applies only to **property damage** to such **nuclear facility** and any property thereat.
2. Definitions Applicable to the Nuclear Energy Liability Exclusion
 - a) **Hazardous Properties**-include radioactive, toxic or explosive properties.
 - b) **Nuclear Material**-means **source material**, **special nuclear material** or **by-product material**.
 - c) **Source Material**, **Special Nuclear Material** and **By-product Material**-have the meanings given them in the Atomic Energy Act of 1954, or in any law amendatory thereof.
 - d) **Spent Fuel**-means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a **nuclear reactor**.
 - e) **Waste**-means any **waste** material:

- (1) containing *by-product material* other than the tailings or wastes produced by the extraction of concentration of uranium or thorium from any ore processed primarily for its *source material* content; and
 - (2) resulting from the operation by any person or organization of any *nuclear facility* included under the first two paragraphs of the definition of *nuclear facility*.
- f) **Nuclear Facility**-means:
- (1) any *nuclear reactor*.
 - (2) any equipment or device designed or used for:
 - (a) separating the isotopes of uranium or plutonium;
 - (b) processing or utilizing *spent fuel*; or
 - (c) handling, processing or packaging *waste*.
 - (3) 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.
 - (4) 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 sites, and all premises used for such operations.
- g) **Nuclear Reactor**-means any apparatus designed or used:
- a) to sustain nuclear fission in a self-supporting chain reaction; or
 - b) to contain a critical mass of fissionable material.
- h) **Property Damage**-includes all forms of radioactive contamination of property.



LS-10
Ed. 1/88

AMENDED LIMITS OF LIABILITY

Refer to the Supplemental Declarations if information is not shown on this form.

The coverage under this endorsement is subject to the *terms* contained in the General Liability Coverage.

This endorsement amends the limits of liability of the policy identified below:

Policy No. _____

Named Insured _____

The Liability Coverage and Limit of Liability shown on the Declarations, Supplemental Declarations or other attached endorsement is deleted and replaced with the following:

Liability Coverage	Limits of Liability	
* Coverage L - <i>Bodily Injury</i> and <i>Property Damage</i>	\$ each <i>occurrence</i>	\$ aggregate
** Coverage L - <i>Bodily Injury</i> and <i>Property Damage</i>	\$ each <i>occurrence</i>	\$ aggregate
Coverage M- Premises Medical Payments	\$ each <i>occurrence</i>	\$ each accident
Coverage N - <i>Products/Completed Operations</i>	\$ each <i>occurrence</i>	\$ <i>products/completed operations</i> aggregate
Coverage O - Fire Legal Liability	\$ each <i>occurrence</i>	
Coverage P - <i>Personal Injury & Advertising Injury</i>	SEE NOTE	SEE NOTE

* Single Limits

** Dual Limits

NOTE: If the LS-6 form (*Business* General Liability—Extra Coverage) is attached to *your* policy, then the each *occurrence* limit AND the aggregate limit of liability for *Personal Injury* and *Advertising Injury* will be included within the Coverage L—*Bodily Injury* and *Property Damage*, each *occurrence* limit and aggregate limit of liability.



LS-22
Ed. 1/88

ADDITIONAL INSURED

Refer to the Supplemental Declarations if information is not shown on this form.

For an additional premium, *we* provide coverage under this endorsement subject to the *terms* contained in the General Liability Coverage.

Insured provision of the General Liability Coverage is amended to include as an *insured* the person(s) or entity named below BUT only with respect to his/her/its liability for activities of the *named insured* or activities performed by such person(s) or entity on behalf of the *named insured*.

NAME OF PERSON(S) OR ENTITY:

LS-22

Ed. 1/88

LS-84
Ed. 10/97

NEW YORK AMENDATORY ENDORSEMENT

(Mandatory for use with forms LS-1, LS-3, LS-4, LS-5, LS-6 and LS-8.)

The coverage under this endorsement is subject to the *terms* contained in the General Policy Provisions.

1. This endorsement amends those policy provisions pertaining to Aggregate Limits of Liability found under policy Section F., titled **HOW MUCH WE PAY FOR LOSS OR CLAIM**.

Those agreements are extended to include an increase in the aggregate limit of liability in proportion to any policy extension whether required by the issuance of a late or incomplete conditional renewal notice, late non-renewal notice or other reason.

2. This endorsement amends those policy provisions pertaining to **INSPECTION AND AUDIT** found under policy Section I., titled **POLICY CONDITIONS**.

That agreement is extended to include the following:

Policies subject to audit.

- (a) An audit to determine final premium for policies under which the initial premium is based on an estimate of your exposure base shall be conducted within 180 days after expiration of such policy, and may not be waived except in the following circumstances:
 - (1) the total annual premium attributable to the auditable exposure base is not reasonably expected to exceed \$1,500;
 - (2) the policy requires notification to *us* with specific identification of any additional exposure units for which coverage is requested; or
 - (3) the policy is a commercial umbrella for which the rate or premium is determined by the application of a factor to the rate or premium of an auditable underlying policy.
 - (b) *We* shall, as soon as practicable following such audit, refund or credit *your* account for any return premium due *you*, or bill and make a good faith effort to collect any additional premium due *us*, as a result of the audit.
 - (c) If *you* fail to cooperate with *us* in *our* attempt to conduct such audit, including *your* failure to return any questionnaires or self-audit worksheets, *we* shall nonrenew *your* policy upon completion of the current policy period, in accordance with the provisions of section 3426 of the Insurance Law, due to *our* inability to establish a proper premium for *you*.
3. This endorsement amends that policy provision pertaining to **SUIT AGAINST US** found under policy Section I., titled **POLICY CONDITIONS**.

Item b) (1) is revised to read:

- (1) by a final judgment against the *insured* following trial or other means of adjudication; or

All other aspects of these policies remain unchanged.



ML-430
Ed. 1/91

RENEWAL ENDORSEMENT

This policy may be continued by payment of the required premium for the next policy period.

The premium must be paid to *us* as specified in the premium notice.

If any of the forms attached to *your* policy are revised, *we* will enclose a copy of that revision with *your* renewal policy.

If *we* adopt any revision of forms or endorsements during a policy period which would broaden coverage under this policy without additional premium, *your* policy will be liberalized to include that broadened coverage.

ML-430

Ed. 1/91



ML-430A
Ed. 2/08

RENEWAL ENDORSEMENT

Refer to Supplemental Declarations if information is not shown on this form.

We provide coverage under this endorsement subject to the *terms* contained in the General Policy Provisions.

This policy may be continued by payment of the required premium for the next policy period. The premium must be paid to *us* as specified in the premium notice.

If any of the forms attached to *your* policy are revised, *we* will enclose a copy of that revision with *your* renewal policy.

If *we* adopt any revision of forms or endorsements during a policy period which would broaden coverage under this policy without additional premium, *your* policy will be liberalized to include that broadened coverage.

THIS CONTINUATION CERTIFICATE IS CONDITIONED ON FULL PAYMENT OF THE PREMIUM ON OR BEFORE INCEPTION OF THE POLICY PERIOD. THIS IS AN IMPORTANT INSURANCE DOCUMENT AND IT SHOULD BE RETAINED WITH YOUR POLICY.

PLEASE REFER TO YOUR POLICY FOR A COMPLETE DESCRIPTION OF YOUR COVERAGES AND FORMS. PLEASE CONTACT YOUR AGENT FOR ASSISTANCE. THANK YOU.

ML-430A

Ed. 2/08



SF-83
Ed. 10/01

AMENDMENT OF POLICY CONDITIONS

The coverage under this endorsement is subject to the *terms* contained in the General Policy Conditions.

This endorsement amends the POLICY CONDITIONS.

The following provision is added to item 2, **CANCELLATION**:

g. **Conditional Reinstatement**-if *we* issue a cancellation notice because *you* didn't pay the required premium when due and *you* then tender payment by check, draft or other remittance which is not honored on presentation, *your* policy will terminate on the date and time shown on the cancellation notice and any notice *we* issue which waives the cancellation or reinstates the policy is void. This means *we* will not be liable under this policy for claims or damages after the date and time indicated on the cancellation notice. *We* will give *you* notice of the dishonor of *your* remittance as soon as practicable but this shall not interrupt the cancellation of this policy.

Item 2d. under **CANCELLATION** is deleted and replaced as follows:

d. *We* refund premium for the unexpired policy period on a pro-rata basis. Any unearned premium amounts under \$5.00 will be refunded only on *your* request.

The following provision is added-**Premium Due After Policy Expiration**:

If the final premium for coverage under this policy is determined at or after the expiration of the policy, any additional premium payable to *us* is due on the date shown on *our* invoice.

SF-83

Ed. 10/01



SF-311
Ed. 1/88

BUSINESSOWNERS' COVERAGE

WHAT WE COVER

In addition to any coverage shown:

- 1) on the Declarations page,
- 2) on the Supplemental Declarations page,
- 3) in The General Policy Provisions, General Liability Coverage, or
- 4) on any other endorsements attached to *your* policy.

We provide the following additional coverages subject to the *terms* contained in the General Policy Provisions.

Our liability for any one loss shall not exceed the limit of insurance specified for that loss.

The total amount recoverable under the Additional Coverages listed below or listed on any other form made part of this policy is not cumulative.

NOTE: The coverages marked with a single asterisk (*) below are subject to the deductible relating to *business* property. If *business* property coverage is not provided then a \$100 deductible shall apply to coverages in this form. The coverage marked with a double asterisk (**) is subject to the deductible relating to building.

Mandatory Property Coverages:

Additional Expense
Debris Removal**
Loss of Income

Mandatory Liability Coverage:

Coverage M-Premises Medical Payments
Fire Legal

The following coverages DO NOT APPLY to *your* policy unless the specific coverage is marked by an "X" on the face of the Supplemental Declarations.

Optional Businessowners' Coverages (Property & Liability):

Accounts Receivable*
Building Inflation Protection**
Employee Dishonesty
Exterior Signs*
Money and Securities*

While Away From The Insured Premises*
Personal Injury
Seasonal Variation*
Sprinkler Leakage*
Valuable Papers and Records*

ADDITIONAL EXPENSE

WHAT WE PAY FOR.

We pay up to \$1000 for *additional expense* which *you* must incur to continue *business* as usual had no damage occurred.

You must do everything reasonable to reduce the amount of loss. *You* must do everything reasonable to resume operations with the same quality of service which existed immediately before the loss; and *you* must resume partial or complete operation of the property making use of *merchandise, stock* or other property at *your* other locations.

The deductible does not apply to this coverage.

DEBRIS REMOVAL

WHAT WE PAY FOR.

The Debris Removal provision under Incidental Coverages in the General Policy Provisions is extended to include the following:

We will pay an additional amount of debris removal expense up to \$5,000 when the debris removal expense exceeds 25 percent of the amount *we* pay for the direct loss or damage or when the loss to *property* and debris removal combined exceeds the limit of insurance for the *property*.

LOSS OF INCOME

WHAT *WE* PAY FOR.

We pay for *Loss of Income* when *your* income is interrupted by a covered cause of loss subject to the General Policy Provisions.

The deductible does not apply to this coverage.

We agree to pay for *Loss of Income* directly resulting from interruption of *your business* operations because of a *business* property loss *insured* under this policy.

We will pay for *Loss of Income* for a period up to 3 (three) months.

For the purpose of this coverage, income is defined as the sum of:

- a) net profit;
- b) payroll expenses;
- c) taxes;
- d) interest;
- e) rents; and
- f) all other necessary operating expenses incurred by the *business*.

Your Loss of Income shall be the income *your business* could reasonably be expected to have earned during the period of interruption if no *business* property loss had occurred minus the income *your business* actually earned.

Loss of Income will be paid only for the time reasonably required to rebuild, repair or replace the damaged or destroyed property. The time will begin with the date of such damage or destruction and is not limited by the policy period.

You shall make every reasonable effort to resume complete or partial operation as soon as possible and, where practicable, use substitute facilities and property.

LIMITATIONS ON HOW MUCH *WE* PAY FOR LOSS OF INCOME.

Loss of Income DOES NOT INCLUDE charges and expenses which do not necessarily continue during the time of interruption. Coverage also applies to expenses *you* incur to reduce *Loss of Income*, BUT only to the extent that they actually reduce *your loss of income*.

Coverage is extended for the length of time, not to exceed two (2) consecutive weeks, during which access to *your* place of *business* is prohibited by civil authority. This prohibition must result directly from damage to or destruction of property adjacent to *your* premises and must result from a cause of loss covered by this policy.

WHAT *WE* DO NOT PAY FOR.

We do not pay for:

- a) *loss of income* caused by the suspension, lapse or cancellation of any lease, contract or order.
- b) *loss of income* caused directly or indirectly by enforcement of any local or state ordinance or law regulating the construction, repair, or demolition of buildings or structures.
- c) any claim for *loss of income* due to interference by strikers or other persons with rebuilding, repairing or replacing property, or with the resumption or continuation of operations.

COVERAGE M-PREMISES MEDICAL PAYMENTS

NOTE: WHEN FORM LS-6 IS ATTACHED TO THIS POLICY, COVERAGE M-PREMISES MEDICAL PAYMENTS (DESCRIBED BELOW) IS DELETED FROM THIS FORM. REFER TO FORM LS-6 FOR DESCRIPTION OF APPLICABLE COVERAGE.

PRINCIPAL COVERAGES.

Coverage M-Premises Medical Payments.

We provide *Premises Medical Payments* coverage only if a limit of liability is shown on the Declarations page or any endorsements attached to this policy.

WHAT WE PAY FOR.

We pay the necessary *medical expenses* incurred or medically determined within one year from the date of an accident causing *bodily injury* to which this coverage applies. This coverage applies only to *bodily injury*:

1. caused by a condition on the premises *you* own or rent;
2. on ways next to premises *you* own or rent;
3. caused by operations with respect to which the *named insured* is afforded coverage for *bodily injury* liability under the policy.

EXCLUSIONS THAT APPLY.

We do not pay for loss resulting directly or indirectly from the following, unless specific coverage is added to *your* policy:

(a) *bodily injury*:

- (1) arising out of the ownership, maintenance, operation, use, entrusting, loading or unloading of:
 - (i) any *automobile* or aircraft owned or operated by or rented or loaned to any *insured*; or
 - (ii) any other *automobile* or aircraft operated by any person in the course of his employment by any *insured*;
BUT this exclusion DOES NOT APPLY to the parking of an *automobile* on the *insured premises* if such *automobile* is not owned by or rented or loaned to any *insured*;
- (2) arising out of:
 - (i) the ownership, maintenance, operation, use, entrusting, loading or unloading of any *mobile equipment* while being used in any prearranged or organized racing, speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity; or
 - (ii) the operation or use of any snowmobile or trailer designed for use therewith;
- (3) arising out of the ownership, maintenance, operation, use, entrusting, loading or unloading of:
 - (i) any watercraft owned or operated by or rented or loaned to any *insured*; or
 - (ii) any other watercraft operated by any person in the course of his employment by any *insured*;
BUT this exclusion DOES NOT APPLY to watercraft while ashore on the *insured premises*; or
- (4) arising out of and in the course of the transportation of *mobile equipment* by an *automobile* owned or operated by or rented or loaned to any *insured*.

(b) *bodily injury*:

- (1) included within the *products/completed operations hazard*;
- (2) arising out of operations performed for the *named insured* by independent contractors other than:
 - (i) maintenance and repair of the *insured premises*; or
 - (ii) structural alterations at such premises which do not involve changing the size of or moving buildings or other structures;
- (3) resulting from the selling, serving or giving of any alcoholic beverage:
 - (i) in violation of any statute, ordinance or regulation;
 - (ii) to a minor;
 - (iii) to a person under the influence of alcohol; or
 - (iv) which causes or contributes to the intoxication of any person, if the *named insured* is a person or organization engaged in the *business* of manufacturing, distributing, selling or serving alcoholic beverages or, if not so engaged, is an owner or lessor of premises used for such purposes;
BUT only part (i) of the exclusion (b) (3) applies when the *named insured* is such an owner or lessor;
- (4) due to war, whether or not declared, civil war, insurrection, rebellion or revolution, or to any act or condition incident to any of the foregoing.

(c) *bodily injury*:

- (1) to the *named insured*, any partner therein, any tenant or other person regularly residing on the *insured premises* or any employee of any of the foregoing if the *bodily injury* arises out of and in the course of his employment;
- (2) to any other tenant if the *bodily injury* occurs on that part of the *insured premises* rented from the *named insured* or to any employee of such a tenant if the *bodily injury* occurs on the tenant's part of the *insured premises* and arises out of and in the course of his employment for the tenant;
- (3) to any person while engaged in maintenance and repair of the *insured premises* or alteration, demolition or new construction at such premises;
- (4) to any person if any benefits for such *bodily injury* are payable or required to be provided under any workmen's compensation, unemployment compensation or disability benefits law, or under any similar law;
- (5) to any person practicing, instructing or participating in any physical training, sport, athletic activity or contest whether on a formal or informal basis;
- (6) excluded under Coverage L.

- (d) to any *medical expense* for services by the *named insured*, any employee or any person or organization under contract to the *named insured* to provide such services.

WHAT YOU MUST DO IN CASE OF LOSS

Under this section in the *General Liability Coverage* booklet, the following is added:

5. *Medical Reports; Proof and Payment of Claim.*

As soon as practicable the injured person or someone on his/her behalf shall give to *us* written proof of claim, under oath if required, and shall, after each request from *us*, execute authorization to enable *us* to obtain medical reports and copies of records. The injured person shall submit to physical examination by physicians selected by *us* when and as often as *we* may reasonably require. *We* may pay the injured person or any person or organization rendering the services and the payment shall reduce the amount payable for such injury. Payment shall not constitute an admission of liability by any person or by *us*.

HOW MUCH WE PAY FOR LOSS OR CLAIM

Our Limit of Liability.

The limit of liability as stated on the Declarations page as applicable to "*each person*" is the limit of *our* liability for all *medical expenses* for *bodily injury* to any one person as the result of any one accident. BUT, subject to the above provision regarding "*each person*", *our* total liability, under this endorsement, for all *medical expenses* for *bodily injury* to two or more persons as the result of any one accident will not exceed the limit of liability stated on the Declarations page as applicable to "*each accident*".

Fire Legal Mandatory Liability Coverage:

FIRE LEGAL

NOTE: WHEN FORM LS-6 IS ATTACHED TO THIS POLICY, FIRE LEGAL (DESCRIBED BELOW) IS DELETED FROM THIS FORM. REFER TO FORM LS-6 FOR DESCRIPTION OF APPLICABLE COVERAGE.

We will pay on behalf of the *insured* all sums which the *insured* shall become legally obligated to pay for *property damage* to structures rented to or occupied by the *named insured* including fixtures permanently attached, if such *property damage* arises out of fire or explosion. *Our* total liability for all damages as a result of any one fire or explosion, or a series or combination of such fires and explosions, shall not exceed \$50,000 for each *occurrence*.

ACCOUNTS RECEIVABLE

Accounts Receivable coverage DOES NOT APPLY to *your* policy unless **Accounts Receivable** is marked by an "X" on the face of the Supplemental Declarations.

HOW MUCH WE PAY.

We pay up to \$1000. for loss or damage to **Accounts Receivable** on the described premises.

WHAT WE DO NOT PAY FOR.

We Do Not Pay For:

- loss due to any fraudulent, dishonest or criminal act by any *insured*, a partner, or an officer, director or trustee, while working or otherwise and whether acting alone or in collusion with others;
- loss due to bookkeeping, accounting or billing errors or omissions;
- loss, the proof of which as to factual existence, is dependent upon an audit of records or an inventory computation. This shall not prevent the use of such procedures in support of claim for loss which the *insured* can prove, through evidence wholly apart from an audit of records or an inventory, is due solely to a risk of loss to records of accounts receivable not otherwise EXCLUDED under this policy;
- loss due to alteration, falsification, manipulation, concealment, destruction or disposal of records of accounts receivable committed to conceal the wrongful giving, taking, obtaining or withholding of money, securities or other property BUT only to the extent of such wrongful giving, taking, obtaining or withholding;
- loss due to electrical or magnetic injury, disturbance or erasure of electronic recordings, EXCEPT by lightning;
- loss due to nuclear reaction, nuclear radiation or radioactive contamination, or to any act or condition incident to them.

g) loss caused by or resulting from:

- (1) hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack by:
 - (i) any government or sovereign power, or by any authority maintaining or using military, naval or air forces; or
 - (ii) military, naval or air forces; or
 - (iii) an agent of any such government, power, authority or forces;
- (2) any weapon of war employing atomic fission or radioactive force whether in time of peace or war;
- (3) insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an **occurrence**, seizure or destruction under quarantine or customs regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade.

POLICY CONDITIONS-The following are additions to the POLICY CONDITIONS section of the General Policy Provisions;

Recoveries: After payment of loss, all amounts recovered by the **insured** on accounts receivable for which the **insured** has been indemnified shall belong and be paid to **us** by the **insured** up to the total amount of loss paid by **us**; BUT all recoveries in excess of such amounts shall belong to the **insured**.

Determination of Receivables; Deductions: When there is proof that a loss covered by this endorsement has occurred BUT the **insured** cannot accurately establish the total amount of accounts receivable outstanding as of the date of such loss, such amount shall be based on the **insured's** monthly statements and shall be computed as follows:

- a) determine the amount of all outstanding accounts receivable at the end of the same fiscal month in the year immediately preceding the year in which the loss occurs;
- b) calculate the percentage of increase or decrease in the average monthly total of accounts receivable for the twelve months immediately preceding the month in which the loss occurs, or such part of for which the **insured** has furnished monthly statements to **us**, as compared with such average for the same months of the preceding year;
- c) the amount determined under (a) above, increased or decreased by the percentage calculated under (b) above, shall be the agreed total amount of accounts receivable as of the last day of the fiscal month in which said loss occurs;
- d) the amount determined under (c) above shall be increased or decreased in conformity with the normal fluctuations in the amount of accounts receivable during the fiscal month involved, due consideration being given to the experience of the **business** since the last day of the last fiscal month for which statement has been rendered.

There shall be deducted from the total amount of accounts receivable, however established, the amount of such accounts evidenced by records not lost or damaged, or otherwise established or collected by the **insured**, and an amount to allow for probable bad debts which would normally have been uncollectible by the **insured**. All unearned interest and service charges shall be deducted.

BUILDING INFLATION PROTECTION

Building Inflation Protection coverage DOES NOT APPLY to **your** policy unless **Building Inflation Protection** is marked by an "X" on the face of the Supplemental Declarations.

At the end of each three (3) months this policy is in effect, **we** will increase **your** limit of insurance for Coverage A—Building by the percentage shown on the Supplemental Declarations page.

EMPLOYEE DISHONESTY

Employee Dishonesty coverage DOES NOT APPLY to **your** policy unless **Employee Dishonesty** is marked by an "X" on the face of the Supplemental Declarations.

WHAT WE PAY FOR.

We agree to pay **you** up to \$1,000 for the loss of **money**, **securities** and other **business** property by any fraudulent or dishonest act committed by any of **your** employees, whether acting alone or in collusion with others.

WHAT WE DO NOT PAY FOR.

This endorsement DOES NOT APPLY:

- (1) to loss due to any fraudulent, dishonest or criminal act by *you* or by any of *your* partners, officers, directors, trustees or joint venturers, whether acting alone or in collusion with others;
- (2) to loss, the proof of which, either as to its factual existence or its amount, is dependent upon an inventory computation or a profit-and-loss computation. However, this exclusion DOES NOT APPLY to loss which *you* can prove through evidence wholly apart from such computations;
- (3) to any mysterious or unexplained disappearance or shortage of property.

The loss must be discovered not later than one year from the date on which the coverage terminates.

Employee Dishonesty coverage shall be cancelled as to any *employee* immediately upon discovery by the *insured*, or by any partner or officer of the company not in collusion with such *employee*, of any fraudulent or dishonest act on the part of such *employee*.

Our payment of any loss under this endorsement shall not reduce the limits of insurance of *your* policy.

DEFINITIONS-The following definitions apply to this policy for **Employee Dishonesty**;

Money means currency, coins, bank notes and bullion; and travelers checks, register checks and money orders held for sale to the public.

Securities means all negotiable and non-negotiable instruments or contracts representing either *money* or other property and includes revenue and other stamps in current use, tokens and tickets, but DOES NOT INCLUDE *money*.

Employee means a person who is engaged in a service usual to *your business* operations and to whom *you* pay salary, wages or commission. *You* have the exclusive right to direct this person in the performance of his/her service. This definition EXCLUDES any broker, factor, commission merchant, consignee, contractor or other agent or representative.

EXTERIOR SIGNS

Exterior Signs coverage DOES NOT APPLY to *your* policy unless **Exterior Signs** is marked by an "X" on the face of the Supplemental Declarations.

WHAT WE PAY FOR.

We agree to pay up to \$1,000 for the repair or replacement of any physically damaged or destroyed exterior signs located at the *business* address shown on the Declarations page.

MONEY AND SECURITIES

Money and Securities coverage DOES NOT APPLY to *your* policy unless **Money and Securities** is marked by an "X" on the face of the Supplemental Declarations.

WHAT WE PAY FOR.

We agree to pay *you* up to \$1,000 for the loss of *money* and *securities* because of actual destruction, disappearance or a dishonest act. This coverage applies if the loss occurs:

- 1) within *your* place of *business* at the *business* address shown on the Declarations page;
- 2) within any banking premises or similar place of safe deposit;
- 3) outside *your* place of *business* (but within the *policy territory*) while in the possession of any person whom *you* have authorized to have the care and custody of *money* and *securities* away from *your* place of *business*;
- 4) while this coverage is in effect.

The amount of \$1,000 shall be the total limit of insurance on all loss of *money* and *securities* arising out of any one event. All loss connected with an actual or attempted dishonest act, or series of related acts, whether committed by one or more persons, shall be judged to arise out of one event.

WHAT WE DO NOT PAY FOR.

This coverage for loss of *money* and *securities* DOES NOT APPLY:

- 1) to loss due to any fraudulent, dishonest or criminal act by *you*, by any of *your employees*, partners, officers, directors, trustees, joint adventurers or authorized representatives, whether acting alone or in collusion with others;
- 2) to loss due to giving or surrendering of *money* or *securities* in any exchange or purchase;

- 3) to loss of **money** contained in coin-operated amusement devices or vending machines, unless the device or machine has an instrument that records the amount of money deposited;
- 4) to loss due to accounting or arithmetical errors or omissions.

DEFINITIONS-The following definitions apply to this policy for **Money and Securities**:

Money means currency, coins, bank notes and bullion; and travelers checks, register checks and **money** orders held for sale to the public.

Securities means all negotiable and non-negotiable instruments or contracts representing either money or other property and INCLUDES revenue and other stamps in current use, tokens and tickets, but DOES NOT INCLUDE **money**.

Employee means a person who is engaged in a service usual to **your business** operations and to whom **you** pay salary, wages or commission. **You** have the exclusive right to direct this person in the performance of his/her service. This definition EXCLUDES any broker, factor, commission merchant, consignee, contractor or other agent or representative.

WHILE AWAY FROM THE INSURED PREMISES

While Away From The Insured Premises coverage DOES NOT APPLY to **your** policy unless it is marked by an "X" on the face of the Supplemental Declarations.

The percentage applicable to this Incidental Coverage is increased from the percentage figure (2%) shown in the Incidental Coverages in the General Policy Provisions to 15% of the Coverage B limit of insurance, up to \$5,000.

All other provisions relating to this coverage as described in the General Policy Provisions remain the same.

PERSONAL INJURY

NOTE: WHEN FORM LS-6 IS ATTACHED TO THIS POLICY, PERSONAL INJURY (DESCRIBED BELOW) IS DELETED FROM THIS FORM. REFER TO FORM LS-6 FOR DESCRIPTION OF APPLICABLE COVERAGE.

Personal Injury coverage DOES NOT APPLY to **your** policy unless **Personal Injury** is marked by an "X" on the face of the Supplementary Declarations.

WHAT WE PAY FOR.

We pay for **personal injury** which arises out of one or more of the following offenses committed in the conduct of the named **insured's business**:

- a) false arrest, detention or imprisonment, or malicious prosecution.
- b) the publication or utterance of a libel or slander, or of other defamatory or disparaging material or a publication or utterance in violation of an individual's right of privacy. Excepted are publications or utterances in the course of, or related to advertising, broadcasting, publishing, printing, printing services or telecasting activities conducted by, or on behalf of the **named insured**.
- c) wrongful entry or eviction, or other invasion of the right of private occupancy.

WHAT WE DO NOT PAY FOR.

We do not pay for any **personal injury** arising out of the following:

- 1) the willful violation of a penal statute or ordinance committed by, or with the knowledge or consent of any person or organization covered by this insurance.
- 2) any publication or utterance, if the first injurious publication or utterance of the same or similar material by **you**, the **named insured** or on **your** behalf was made prior to the effective date of this insurance.
- 3) a publication or utterance concerning any organization or **business** enterprise (or its products or services) made by, or at the direction of any person or organization covered by this insurance, with knowledge of its falsity.

SEASONAL VARIATION

Seasonal Variation coverage DOES NOT APPLY to **your** policy unless **Seasonal Variation** is marked by an "X" on the face of the Supplemental Declarations.

We agree to increase by 25% the limit of insurance for Coverage B—**Business** Property for the period of time shown in the Supplemental Declarations (maximum period of time is 90 days).

SPRINKLER LEAKAGE

Sprinkler Leakage coverage DOES NOT APPLY to *your* policy unless **Sprinkler Leakage** is marked by an "X" on the face of the Supplemental Declarations.

HOW MUCH WE PAY.

We pay up to 50% of the limit of insurance shown on the Declarations page for Coverage B—**Business** Property.

WHAT WE PAY FOR.

We pay for loss or damage caused by **sprinkler leakage**.

We pay for loss or damage caused by collapse or fall of a tank which is part of an automatic sprinkler system.

We pay for loss or damage to automatic sprinkler system when damage is caused by freezing or breakage that results in **sprinkler leakage**.

DEFINITION—The following definition applies to this policy for **Sprinkler Leakage**;

Sprinkler Leakage means loss or damage caused by leakage or discharge of water or other substances from within an automatic sprinkler system.

VALUABLE PAPERS AND RECORDS

Valuable Papers and Records coverage DOES NOT APPLY to *your* policy unless **Valuable Papers and Records** is marked by an "X" on the face of the Supplemental Declarations.

HOW MUCH WE PAY.

We pay up to \$1,000 for loss or damage to **Valuable Papers & Records** on the described **premises**.

WHAT WE DO NOT PAY FOR.

- 1) loss due to any fraudulent, dishonest or criminal act by *you*, a partner, an officer, director or trustee;
- 2) loss resulting from errors or omissions in processing or copying;
- 3) loss due to wear and tear;
- 4) loss to property which cannot be replaced with other of like kind or quality;
- 5) loss due to electrical or magnetic injury, disturbance or erasure of electronic recordings, except by lightning;
- 6) loss of property held as samples or for sale or for delivery after sale;
- 7) loss of *money* or *securities*.

DEFINITIONS—The following definitions apply to this policy for **Valuable Papers and Records**;

Valuable Papers and Records means written, printed or otherwise inscribed documents and records, including books, maps, films, drawings, abstracts, deeds, mortgages and manuscripts.

Premises means the interior portion of the building occupied by *you* for **business** purposes.

Money means currency, coins, bank notes and bullion, travelers checks, registered checks and money orders held for sale to the public.

Securities means all negotiable and non-negotiable instruments or contracts either *money* or other property and INCLUDES revenue and other stamps in current use, tokens and tickets, but DOES NOT INCLUDE *money*.

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NY STATUTORY ENDORSEMENT

Refer to Supplemental Declarations if information is not shown on this form.

The amendment under this endorsement is subject to the *terms* contained in *your* policy.

The following provisions are added to *your* policy.

1. Failure to give any notice required to be given by this liability policy within the time prescribed shall not invalidate any claim made by the *insured*, injured person or any other claimant, unless the failure to provide timely notice has prejudiced *us*, except when it shall be shown not to have been reasonably possible to give such notice within the prescribed time and that notice was given as soon as was reasonably possible thereafter.
2. With respect to a claim for personal injury or wrongful death of any person, if *we* disclaim liability or deny coverage based upon the failure to provide timely notice, then the injured person or other claimant may maintain an action directly against *us*, in which the sole question is *our* disclaimer or denial based on the failure to provide timely notice, unless within sixty days following such disclaimer or denial, the *insured* or the insurer:
 - a. initiates an action to declare the rights of the parties under the insurance policy; and
 - b. names the injured person or other claimant as a party to the action.

All other *terms* and conditions remain unchanged.

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