



Erie Insurance Company
NAIC Code 26263

Coverage provided by

Erie Insurance Company

100 Erie Insurance Place Erie, PA 16530

erieinsurance.com

ErieSecure Business™ Policy Declarations

New Declarations

Mailing name and address for Insured

THE MANSIONS CONDO ASSOCIATION
C/O TOP LEVEL PROPERTY MGMT
PO BOX 45538
MADISON WI 53744-5538



Other Interest

As listed under Schedule of Other Interests

WW1015

Named Insured's full name

THE MANSIONS CONDO ASSOCIATION

Legal entity

Corporation

Agent

WW1015 BAER INSURANCE SERVICES INC

Policy period

01/14/2025 to 01/14/2026

Policy number

Q61 0494778

Agent address and phone

BAER INSURANCE SERVICES INC
PO BOX 46490
MADISON, WI 53744

Policy period begins at 12:01 A.M. standard time on the effective date and ends at 12:01 A.M. standard time on the expiration date. Standard time is determined at the stated address of the Named Insured.

Agency email address

baer@baerinsurance.com

Agency website

<http://www.baerinsurance.com>

The insurance applies to those premises described below. This is subject to all applicable terms of the policy and attached forms and endorsements.

Policy Discounts

Loyalty discount

Payment plan

Premium Summary

Total net premium:

\$17,749

Final premium:

\$17,749.00

(This is not a bill. Your invoice will follow in a separate mailing.)

Liability Protection

Commercial general liability coverage

Coverage	Deductible	Limit
Bodily injury and property damage		\$2,000,000 Each occurrence
Personal and advertising injury		\$2,000,000 Any one person or organization
Medical expense payments		\$10,000 Any one person
Damage to premises rented to you – Fire legal liability		\$2,000,000 Any one premises
General aggregate		\$4,000,000
Products – Completed operations aggregate		\$4,000,000
Non-owned and hired automobile liability		Included
Damage to customers autos - Legal liability	\$200	Included

Policy Optional Coverages and Exclusions

Coverage	Deductible	Limit
Additional insured - Condominium unit owners (CG2004)		
Additional insured - Managers or lessors of premises (CG2011)		
Designation of premises (part leased to you): See schedule of other interest		
Condominium association		
Cyber suite	\$1,000 Per occurrence	\$50,000 Aggregate
Cyber extortion		\$10,000
Misdirected payment fraud		\$10,000
Computer fraud		\$10,000
Telecommunications fraud		\$10,000
Data breach response expenses		Included
Public relations		\$10,000 Per occurrence
Reputational harm		\$10,000 Per occurrence
Computer attack		Included
Public relations		\$10,000 Per occurrence
Reward payments		Included
Reward payments sublimit per policy period		\$25,000 Per occurrence
Privacy incident liability		Included
Privacy incident defense		
Privacy incident liability		
Network security liability		Included
Network security defense		
Network security liability		
Electronic media liability		Included
Electronic media defense		
Electronic media liability		
Directors and officers liability coverage - Condominiums or homeowners association	\$1,000	\$2,000,000 Each claim/ \$4,000,000 Aggregate
Retroactive date: 01/14/2025		
Number of units: 24		
Employee dishonesty – Increased coverage	\$1,000	\$155,000
Number of employees: 1		
Waiver of charitable immunity		

Insured name: THE MANSIONS CONDO ASSOCIATION
Policy number: Q61 0494778
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Exclusion - Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS)
Abuse or molestation exclusion
Exclusion – Data breach response expenses

Property Protection

Blanket coverage	Limit
Blanket coverage - Buildings - All locations	\$9,640,968

Risk information for Location 1 - Building 1

Address:	3913-3919 MAPLE GROVE DR	Windstorm/Hail:	2% deductible
City/State:	MADISON, WI	Insured interest:	Condo association
Zip code:	53719	Year built:	2004
County:	Dane	Annual sales/revenue:	\$14,400
Property deductible*:	\$5,000		
Production or process machinery deductible:	\$1,000		
Production or process machinery deductible - Income protection:	1x day		
Occupancy/Operations:	62003 Condominiums - residential - association risk only		

**Property deductible applies unless otherwise indicated below.*

Location 1 - Building 1 summary

Coverage	Deductible	Limit
Property coverage part		
Building: Comprehensive perils, 90% coinsurance, Replacement cost		Blanket
Income protection		Actual loss sustained
Period of indemnity - 12 months		

Structure level optional coverages and exclusions

Coverage	Deductible	Limit
Building ordinance or law – Increased coverage		25 of building

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Risk information for Location 1 - Building 2

Address:	3921-3927 MAPLE GROVE DR	Windstorm/Hail:	2% deductible
City/State:	MADISON, WI	Insured interest:	Condo association
Zip code:	53719	Year built:	2004
County:	Dane	Annual sales/revenue:	\$14,408
Property deductible*:	\$5,000		
Production or process machinery deductible:	\$1,000		
Production or process machinery deductible - Income protection:	1x day		
Occupancy/Operations:	62003 Condominiums - residential - association risk only		

**Property deductible applies unless otherwise indicated below.*

Location 1 - Building 2 summary**Coverage****Deductible****Limit****Property coverage part**

Building: Comprehensive perils, 90% coinsurance, Replacement cost

Blanket

Income protection

Actual loss sustained

Period of indemnity - 12 months

Structure level optional coverages and exclusions**Coverage****Deductible****Limit**

Building ordinance or law – Increased coverage

25 of building

Insured name: THE MANSIONS CONDO ASSOCIATION
Policy number: Q61 0494778
Policy period: 01/14/2025 to 01/14/2026

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Risk information for Location 1 - Building 3

Address:	3929-3935 MAPLE GROVE DR	Windstorm/Hail:	2% deductible
City/State:	MADISON, WI	Insured interest:	Condo association
Zip code:	53719	Year built:	2004
County:	Dane	Annual sales/revenue:	\$14,400
Property deductible*:	\$5,000		
Production or process machinery deductible:	\$1,000		
Production or process machinery deductible - Income protection:	1x day		
Occupancy/Operations:	62003 Condominiums - residential - association risk only		

**Property deductible applies unless otherwise indicated below.*

Location 1 - Building 3 summary**Coverage****Deductible****Limit****Property coverage part**

Building: Comprehensive perils, 90% coinsurance, Replacement cost

Blanket

Income protection

Actual loss sustained

Period of indemnity - 12 months

Structure level optional coverages and exclusions**Coverage****Deductible****Limit**

Building ordinance or law – Increased coverage

25 of building

Insured name: THE MANSIONS CONDO ASSOCIATION
Policy number: Q61 0494778
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Risk information for Location 1 - Building 4

Address:	3937-3943 MAPLE GROVE DR	Windstorm/Hail:	2% deductible
City/State:	MADISON, WI	Insured interest:	Condo association
Zip code:	53719	Year built:	2004
County:	Dane	Annual sales/revenue:	\$14,400
Property deductible*:	\$5,000		
Production or process machinery deductible:	\$1,000		
Production or process machinery deductible - Income protection:	1x day		
Occupancy/Operations:	62003 Condominiums - residential - association risk only		

**Property deductible applies unless otherwise indicated below.*

Location 1 - Building 4 summary**Coverage****Deductible****Limit****Property coverage part**

Building: Comprehensive perils, 90% coinsurance, Replacement cost

Blanket

Income protection

Actual loss sustained

Period of indemnity - 12 months

Structure level optional coverages and exclusions**Coverage****Deductible****Limit**

Building ordinance or law – Increased coverage

25 of building

Insured name: THE MANSIONS CONDO ASSOCIATION
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Risk information for Location 1 - Building 5

Address:	3945-3951 MAPLE GROVE DR	Windstorm/Hail:	2% deductible
City/State:	MADISON, WI	Insured interest:	Condo association
Zip code:	53719	Year built:	2004
County:	Dane	Annual sales/revenue:	\$14,400
Property deductible*:	\$5,000		
Production or process machinery deductible:	\$1,000		
Production or process machinery deductible - Income protection:	1x day		
Occupancy/Operations:	62003 Condominiums - residential - association risk only		

**Property deductible applies unless otherwise indicated below.*

Location 1 - Building 5 summary**Coverage****Deductible****Limit****Property coverage part**

Building: Comprehensive perils, 90% coinsurance, Replacement cost

Blanket

Income protection

Actual loss sustained

Period of indemnity - 12 months

Structure level optional coverages and exclusions**Coverage****Deductible****Limit**

Building ordinance or law – Increased coverage

10 of building

Insured name: THE MANSIONS CONDO ASSOCIATION
Policy number: Q61 0494778
Policy period: 01/14/2025 to 01/14/2026

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Risk information for Location 1 - Building 6

Address:	3953-3959 MAPLE GROVE DR	Windstorm/Hail:	2% deductible
City/State:	MADISON, WI	Insured interest:	Condo association
Zip code:	53719	Year built:	2004
County:	Dane	Annual sales/revenue:	\$14,400
Property deductible*:	\$5,000		
Production or process machinery deductible:	\$1,000		
Production or process machinery deductible - Income protection:	1x day		
Occupancy/Operations:	62003 Condominiums - residential - association risk only		

**Property deductible applies unless otherwise indicated below.*

Location 1 - Building 6 summary

Coverage	Deductible	Limit
Property coverage part		
Building: Comprehensive perils, 90% coinsurance, Replacement cost		Blanket
Income protection		Actual loss sustained
Period of indemnity - 12 months		

Structure level optional coverages and exclusions

Coverage	Deductible	Limit
Building ordinance or law – Increased coverage		25 of building

Schedule of Other Interests**Additional Insured**

Additional insured - Managers or lessors of premises (CG2011)
Top Level Property Management
Top Level Property Management
PO BOX 45538
MADISON WI 53744-5538
Designation of premises (part leased to you): 3913-3959 Maple Grove Dr
Madison, WI 53719

Schedule of Forms

Form number	Edition date	Description
CG0001	04/13 *	Commercial General Liability Coverage Form
CG0124	01/93 *	Wisconsin Changes - Amendment of Policy Conditions
CG2004	11/85 *	Additional Insured - Condominium Unit Owners
CG2011	04/13 *	Additional Insured - Managers or Lessors of Premises
CG2106	05/14 *	Exclusion - Access or Disclosure of Confidential or Personal Information and Data-Related Liability - With Limited Bodily Injury Exception
CG2109	06/15 *	Exclusion - Unmanned Aircraft
CG2146	07/98 *	Abuse or Molestation Exclusion
CG2170	01/15 *	Cap on Losses from Certified Acts of Terrorism

Insured name: THE MANSIONS CONDO ASSOCIATION
 Policy number: Q61 0494778
 Policy period: 01/14/2025 to 01/14/2026

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Schedule of Forms - (continued)

Form number	Edition date	Description
CG2403	11/85 *	Waiver of Charitable Immunity
CG4032	05/23 *	Exclusion - Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS)
EPP0001	12/24 *	ErieSecure Business Property Coverage Part
EPP0006	12/24 *	ErieSecure Business Extra Liability Coverages
EPP0008	09/23 *	Policy Change Endorsement - Exclusions
EPP0009	10/19 *	Exclusion - Professional Liability
EPP0010WI	10/22 *	Wisconsin Property Change Endorsement
EPP0011WI	10/19 *	Wisconsin Liability Change Endorsement
EPP0036	10/19 *	Important Notice to Wisconsin Policyholders - ErieSecure Business
EPP0094WI	10/24 *	Premium Audit - Noncompliance Charge - Wisconsin
EPP0222	12/24 *	Windstorm or Hail - Deductible
EPP0230	10/22 *	Building Ordinance or Law - Increased Coverage
EPP2617WI	10/22 *	Directors and Officers Liability Coverage - Condominium or Homeowners Associations - Wisconsin
EPP2905	10/19 *	Employee Dishonesty - Increased Coverage
EPP3208	10/19 *	Exclusion - Lead Liability
EPP3218	10/19 *	Exclusion - Data Breach Response Expenses
EPP4000WI	10/19 *	ErieSecure Business Policy - Wisconsin
EPP4001	10/19 *	Amendment of Mobile Equipment Definition
EPP4006	10/19 *	Coverage for Punitive Damages
EPP4500	12/24 *	Cyber Suite Coverage
EPP4502WI	12/21 *	Cyber Suite - Wisconsin Changes Amendatory Endorsement
EPP4503	12/21 *	Important Notice - Cyber Coverage Resources Available
EPP8200	10/19 *	Condominium Association Coverage
IL952A	03/21 *	Cap on Losses from Certified Acts of Terrorism
IL985H	03/21 *	Disclosure Pursuant to Terrorism Risk Insurance Act

Home Office • Erie, PA 16530
Your Agent:



CLAIMS DIRECTORY

-- FOLD --

IN THE EVENT OF AN ACCIDENT OR LOSS

- Help any injured. Get names, addresses, auto license plate numbers of involved, including all witnesses.
- Do not discuss an accident with anyone except the police or our representative.
- Protect your auto and any property from further damage.
- Promptly call the police if someone is injured, damage is extensive, or in case of theft. In case of "hit-and-run", you must report the accident to the police within 24 hours or as soon as possible.
- Notify your Agent or ERIE of the accident or loss.

The ERIE is Above All in SERVICE®.

If we fail to give you this promised service, please drop us a note or call us on our toll-free number and tell us about it.


President and
Chief Executive Officer

CUT ON DOTTED LINE

ENTRAPPED AND NO

Home Office • Erie, PA 16530
Your Agent:



CLAIMS DIRECTORY

-- FOLD --

IN THE EVENT OF AN ACCIDENT OR LOSS

- Help any injured. Get names, addresses, auto license plate numbers of involved, including all witnesses.
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President and
Chief Executive Officer

CLAIM SERVICE – For claim service anywhere in U.S. or Canada, call:

- Your Agent
- ERIE Claims Service: **1-800-FOR-ERIE (1-800-367-3743)**
- ERIEGlassSM (Auto glass only): **1-800-552-3743**
- FRAUD FINDERS[®] (To report fraud): **1-800-368-6996**

CS4ESB 10/19

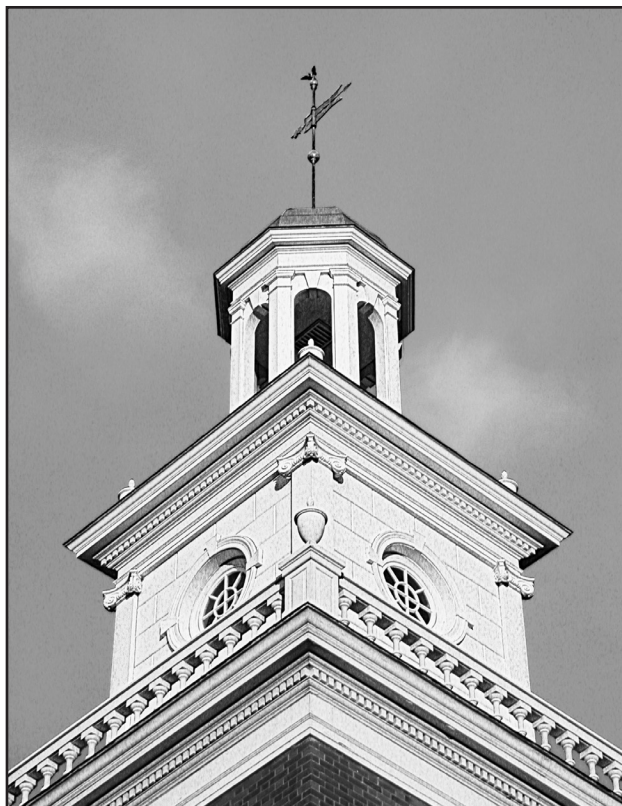
CUT ON DOTTED LINE

ENT-931106-NO-119

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- Your Agent
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- ERIEGlassSM (Auto glass only): **1-800-552-3743**
- FRAUD FINDERS[®] (To report fraud): **1-800-368-6996**

CS4ESB 10/19



ErieSecure BusinessSM

Wisconsin



THANK YOU

for choosing Erie Insurance for your business insurance needs. The ERIE is proud to present this ErieSecure Business Policy. This important contract between YOU and The ERIE consists of this policy with coverage agreements, limitations, exclusions and conditions, a Declarations, plus any endorsements. We urge YOU to read it.

The protection given by this policy is in keeping with the single purpose of our Founders: "To provide YOU with as near PERFECT PROTECTION, as near PERFECT SERVICE, as is humanly possible, and to do so at the LOWEST POSSIBLE COST."

AGREEMENT

In return for your timely premium payment and your compliance with all of the provisions of this policy, we agree to provide the coverages you have purchased. Your coverages and limits of protection are shown in the Declarations, which are part of this policy.

This agreement is made in reliance on the information you have given us, and is subject to all of the terms of this policy.

This policy and all endorsements to it constitute the entire agreement between you and us.

GENERAL POLICY CONDITIONS

Unless stated otherwise in any ErieSecure Business Coverage Part, Coverage Form, Declarations, or endorsements, the following General Policy Conditions apply to all ErieSecure Business Coverage Parts, Coverage Forms, Declarations, or endorsements forming part of this policy.

1. Bankruptcy And Insolvency

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

2. Calculation Of Premium

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

3. Cancellation And Nonrenewal

Cancellation

- a. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation
- b. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least thirty (30) days before the effective date of cancellation.

If this policy has been in effect for less than sixty (60) days and is not a renewal policy, we may cancel for any reason.

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

- 1) The policy was obtained by material misrepresentation;
- 2) There has been a substantial change in the risk we originally assumed, except to the extent that we should have foreseen the change or considered the risk in writing the policy;
- 3) There have been substantial breaches of contractual duties, conditions, or warranties; or
- 4) Non-payment of premium.

If this policy has been in effect for sixty (60) days or more or is a renewal of a policy we issued, the notice of cancellation will state the reason for cancellation.

- c. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
- d. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
- e. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
- f. If notice is mailed, proof of mailing will be sufficient proof of notice.
- g. If this policy is written for a term of more than one year or has no fixed expiration date, we may cancel this policy for any reason by mailing or delivering to the first Named Insured written notice of cancellation at least sixty (60) days before the

anniversary date of the policy. Such cancellation will be effective on the policy's anniversary date.

We may cancel this policy because of the termination of an insurance marketing intermediary's contract with us only if the notice of cancellation contains an offer to continue the policy with us if we receive a written request from the first Named Insured prior to the date of cancellation.

Nonrenewal

- a. If we elect not to renew this policy, we will mail or deliver written notice of nonrenewal to the first Named Insured's last mailing address known to us. We may elect not to renew for any reason; the notice will state the reason for nonrenewal. We will mail or deliver the notice at least sixty (60) days before the expiration date of this policy.

We need not mail or deliver the notice if:

- 1) You have insurance elsewhere;
 - 2) You have accepted replacement coverage;
 - 3) You have requested or agreed to the nonrenewal of this policy; or
 - 4) This policy is expressly designated as nonrenewable.
- b. We may refuse to renew this policy because of the termination of an insurance marketing intermediary's contract with us only if the notice of nonrenewal contains an offer to renew the policy with us if we receive a written request from the first Named Insured prior to the renewal date.
 - c. If you fail to pay the renewal or continuation premium by the premium due date, this policy will terminate on the policy expiration or anniversary date, if we have:
 - 1) Given you written notice of the renewal or continuation premium not more than seventy-five (75) days nor less than ten (10) days prior to the due date of the premium; and
 - 2) Stated clearly in the notice the effect of nonpayment of premium by the due date.

Anniversary Alteration

If this policy is written for a term of more than one year or has no fixed expiration date, we may alter the terms or premiums of this policy by mailing or delivering written notice of less favorable terms or premiums to the first Named Insured's last mailing address known to us. We will mail, by first class mail, or deliver this notice at least sixty (60) days prior to the anniversary date.

If we notify the first Named Insured within sixty (60) days prior to the anniversary date, the new terms or premiums will not take effect until sixty (60) days

after the notice was mailed or delivered. The notice will include a statement of the first Named Insured's right to cancel. The first Named Insured may elect to cancel the policy at any time during the sixty (60)-day period, in accordance with Paragraph a. of the Cancellation Common Policy Condition. If the first Named Insured elects to cancel the policy during the sixty (60) day period, return premiums or additional premium charges will be calculated proportionately on the basis of the old premiums.

Renewal With Altered Terms

If we elect to renew this policy but on less favorable terms or at higher premiums, we will mail or deliver written notice of the new terms or premiums to the first Named Insured's last mailing address known to us. We will mail, by first class mail, or deliver this notice at least sixty (60) days prior to the renewal date.

If we notify the first Named Insured within sixty (60) days prior to the renewal date, the new terms or premiums will not take effect until sixty (60) days after the notice was mailed or delivered. The notice will include a statement of the first Named Insured's right to cancel. The first Named Insured may elect to cancel the renewal policy by mailing or delivering to us advance written notice of cancellation at any time during the sixty (60) day period. If the first Named Insured elects to cancel the renewal policy during the sixty (60) day period, return premiums or additional premium charges will be calculated proportionately on the basis of the old premiums.

We need not mail or deliver this notice if the only change adverse to you is a premium increase that:

- a. Is less than 25% and is generally applicable to the class of business to which this policy belongs; or
 - b. Results from a change based on your action that alters the nature or extent of the risk insured against, including but not limited to a change in the classification or the units of exposure, or increased policy coverage.
- ## 4. Concealment, Fraud, Or Misrepresentation

We will provide no coverage and we may void the entire policy if, whether before or after a loss, one or more persons insured under this policy makes a misrepresentation that the person knew or should have known was false, and:

- a. We rely on the misrepresentation and the misrepresentation is either material or made with intent to deceive; or
- b. The facts misrepresented or falsely warranted contribute to the loss.

5. Conformity To Statute Or Rule

Any provision of this policy (including endorsements which modify the policy) that is in conflict with a Wisconsin statute or rule is hereby amended to conform to that statute or rule.

The term rule means a valid rule promulgated by the Commissioner of Insurance in accordance with the rule-making authority conferred under Wis. Stat. Ann. Section 227.11(2) and published in the Wisconsin Administrative Code.

6. Cooperation

You agree to cooperate with us by:

- a. Truthfully completing and promptly returning questionnaires and audit forms about this insurance;
- b. Permitting and helping with inspections and audits; and
- c. Complying with specific recommendations to improve your risk.

7. Failure To Comply With A Condition

We will provide no coverage and we may void the entire policy if any person insured under this policy fails to comply with a policy condition before the loss or breaches a promissory warranty and the failure of the condition or breach of promissory warranty exists at the time of loss, and either:

- a. Increases the risk at the time of loss; and
- b. Contributes to the loss.

This section does not apply to failure to tender payment of premium.

8. How Your Policy May Be Changed

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

This policy conforms to the laws of the state in which your principal office is located. If the laws of the state change, this policy will comply with these changes.

Your policy may be changed by asking us. Your request must contain enough information to identify you. Asking our Agent is the same as asking us. If we agree with your request, we will then issue an Amended Declarations.

We will give you the benefit of any change in coverage made by us, if it does not require additional premium. This change will be effective as of the date we implement the change for you in your state.

9. Increase In Hazard

Unless we agree beforehand, coverage is suspended if the hazard is substantially increased by any means within the control of the insured.

10. Inspection And Audit

We have the right but are not obligated to:

- a. Make inspections and surveys at any time;
- b. Give you reports on the conditions we find; and
- c. Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to provide for the health or safety of workers or the public. We do not warrant that your property or operations are safe, healthful or in compliance with any law, regulation, code or standard. Inspections, surveys, reports or recommendations are for our benefit only.

This condition also applies to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

This condition does not apply to any inspections, surveys, reports, or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels, or elevators.

We may examine and audit your books and records at any time during or within three years after the policy period, as they relate to this insurance. No appeals or disputes regarding your premium will be permitted three years after your audit is completed.

11. Knowledge And Acts Of Agents

- a. If any of our Agents knows any fact that breaches a condition of this policy, we will be considered to know it also if that fact:
 - 1) Is known to the Agent at the time the policy is issued or an application made; or
 - 2) Later becomes known to the Agent in the course of his or her dealings as an Agent with you.
- b. Any fact that breaches a condition of this policy and is known to the Agent before the loss will not:
 - 1) Void this policy; or
 - 2) Prevent a recovery in the event of loss.

12. Loss To A Pair Or Set

If there is a loss to a pair or set, we may:

- a. Repair or replace any part of the pair or set to restore it to its value before the loss; or
- b. Pay the difference between actual cash value of the property before and after the loss.

13. Loss To Parts

If there is a loss to a part of an item that consists of several parts, we will pay only for the loss to that part. A loss to a part is not considered to be a loss to the whole item.

14. Our Right To Recover From Others

After we make a payment under this policy, we will have the right to recover from anyone else held responsible. This right will not apply under Property Protection if you have waived it in writing prior to loss. Any insured is required to transfer this right to us, and do nothing to harm this right. Anyone receiving payment from us and from someone else for the same loss will reimburse us up to our payment.

If we pay an insured for a loss described in Paragraph **A.2., Section III - Exclusions** in the ErieSecure Business Property Coverage Part, the rights of the insured to recover damages from the perpetrator are transferred to us to the extent of our payment. Following the loss, the insured may not waive such rights to recover against the perpetrator.

We will be entitled to a recovery only after you have been fully compensated for damages.

15. Policy Acceptance

By accepting this policy, you agree that the statements on the Declarations are accurate and complete and are based on the facts you have given us. This policy is issued in reliance on these facts.

16. Premiums

The first Named Insured shown in the Declarations:

- a. Is responsible for the payment of all premiums; and
- b. Will be the payee for any return premiums we pay.

17. Priority

At our option, this insurance will first protect you, and then others we protect.

18. Reporting Terms Only

This policy may be subject to reporting terms. If the policy is cancelled, you must report the required amount as of the cancellation date.

19. Transfer Of Your Rights And Duties Under This Policy

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

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

This policy has been signed on our behalf at Erie, Pennsylvania by our President and Secretary. If required by law, it has been countersigned on the Declarations by our authorized Agent.


President


Secretary

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

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

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

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

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

SECTION I – COVERAGES

COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

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

- 1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- 2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

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

- b. This insurance applies to "bodily injury" and "property damage" only if:
- 1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
 - 2) The "bodily injury" or "property damage" occurs during the policy period; and

- 3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.
- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.
- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:
 - 1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
 - 2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
 - 3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.
- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

2. Exclusions

This insurance does not apply to:

a. Expected Or Intended Injury

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

b. Contractual Liability

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

- 1) That the insured would have in the absence of the contract or agreement; or
- 2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
 - a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
 - b) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

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

- 1) Causing or contributing to the intoxication of any person;
- 2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- 3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

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

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

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

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

d. Workers' Compensation And Similar Laws

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

e. Employer's Liability

"Bodily injury" to:

- 1) An "employee" of the insured arising out of and in the course of:
 - a) Employment by the insured; or
 - b) Performing duties related to the conduct of the insured's business; or
- 2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph 1) above.

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

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

f. Pollution

- 1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
 - a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
 - i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;

- ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
- iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
- b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
- c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
 - i) Any insured; or
 - ii) Any person or organization for whom you may be legally responsible; or
- d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
 - i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;

- ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
 - iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
 - e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- 2) Any loss, cost or expense arising out of any:
- a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
 - b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

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

g. Aircraft, Auto Or Watercraft

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

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

This exclusion does not apply to:

- 1) A watercraft while ashore on premises you own or rent;
- 2) A watercraft you do not own that is:
 - a) Less than 26 feet long; and
 - b) Not being used to carry persons or property for a charge;
- 3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- 4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- 5) "Bodily injury" or "property damage" arising out of:
 - a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged; or
 - b) The operation of any of the machinery or equipment listed in Paragraph **f.2)** or **f.3)** of the definition of "mobile equipment".

h. Mobile Equipment

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

- 1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- 2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

i. War

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

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

j. Damage To Property

"Property damage" to:

- 1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- 2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- 3) Property loaned to you;
- 4) Personal property in the care, custody or control of the insured;
- 5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- 6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

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

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

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

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

k. Damage To Your Product

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

l. Damage To Your Work

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

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

m. Damage To Impaired Property Or Property Not Physically Injured

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

- 1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- 2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

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

n. Recall Of Products, Work Or Impaired Property

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

- 1) "Your product";
- 2) "Your work"; or
- 3) "Impaired property";

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

o. Personal And Advertising Injury

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

p. Electronic Data

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

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

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

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

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

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

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

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

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

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

COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement

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

- 1) The amount we will pay for damages is limited as described in Section **III – Limits Of Insurance**; and
- 2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages **A** or **B** or medical expenses under Coverage **C**.

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

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

2. Exclusions

This insurance does not apply to:

a. **Knowing Violation Of Rights Of Another**

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

b. **Material Published With Knowledge Of Falsity**

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

c. **Material Published Prior To Policy Period**

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

d. **Criminal Acts**

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

e. **Contractual Liability**

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

f. **Breach Of Contract**

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

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

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

h. **Wrong Description Of Prices**

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

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

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

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

j. **Insureds In Media And Internet Type Businesses**

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

- 1) Advertising, broadcasting, publishing or telecasting;
- 2) Designing or determining content of web sites for others; or
- 3) An Internet search, access, content or service provider.

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

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

k. **Electronic Chatrooms Or Bulletin Boards**

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

l. **Unauthorized Use Of Another's Name Or Product**

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

m. **Pollution**

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

n. **Pollution-related**

Any loss, cost or expense arising out of any:

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

o. War

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

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

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

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

- 1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- 2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- 3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA); or
- 4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

COVERAGE C – MEDICAL PAYMENTS

1. Insuring Agreement

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

- 1) On premises you own or rent;
- 2) On ways next to premises you own or rent; or
- 3) Because of your operations;

provided that:

- a) The accident takes place in the "coverage territory" and during the policy period;
- b) The expenses are incurred and reported to us within one year of the date of the accident; and
- c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

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

- 1) First aid administered at the time of an accident;
- 2) Necessary medical, surgical, X-ray and dental services, including prosthetic devices; and
- 3) Necessary ambulance, hospital, professional nursing and funeral services.

2. Exclusions

We will not pay expenses for "bodily injury":

a. Any Insured

To any insured, except "volunteer workers".

b. Hired Person

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

c. Injury On Normally Occupied Premises

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

d. Workers' Compensation And Similar Laws

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

e. Athletics Activities

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

f. Products-Completed Operations Hazard

Included within the "products-completed operations hazard".

g. Coverage A Exclusions

Excluded under Coverage A.

SUPPLEMENTARY PAYMENTS – COVERAGES A AND B

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

- a. All expenses we incur.
- b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
- c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.

- d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
- e. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
- f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

- 2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
 - a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
 - b. This insurance applies to such liability assumed by the insured;
 - c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
 - d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
 - e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
 - f. The indemnitee:
 - 1) Agrees in writing to:
 - a) Cooperate with us in the investigation, settlement or defense of the "suit";
 - b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
 - c) Notify any other insurer whose coverage is available to the indemnitee; and

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

2) Provides us with written authorization to:

- a) Obtain records and other information related to the "suit"; and
- b) Conduct and control the defense of the indemnitee in such "suit".

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

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

SECTION II – WHO IS AN INSURED

1. If you are designated in the Declarations as:

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

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

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

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

SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".
2. The General Aggregate Limit is the most we will pay for the sum of:
 - a. Medical expenses under Coverage **C**;
 - b. Damages under Coverage **A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
 - c. Damages under Coverage **B**.
3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage **A** for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to Paragraph 2. above, the Personal And Advertising Injury Limit is the most we will pay under Coverage **B** for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
5. Subject to Paragraph 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
 - a. Damages under Coverage **A**; and
 - b. Medical expenses under Coverage **C**

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

6. Subject to Paragraph 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
7. Subject to Paragraph 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

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

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

1. Bankruptcy

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

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

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

- 1) How, when and where the "occurrence" or offense took place;
- 2) The names and addresses of any injured persons and witnesses; and
- 3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

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

- 1) Immediately record the specifics of the claim or "suit" and the date received; and
- 2) Notify us as soon as practicable.

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

- c. You and any other involved insured must:

- 1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- 2) Authorize us to obtain records and other information;

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

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

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

3. Legal Action Against Us

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

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

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

4. Other Insurance

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

a. Primary Insurance

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

b. Excess Insurance

- 1) This insurance is excess over:

- a) Any of the other insurance, whether primary, excess, contingent or on any other basis:
 - i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
 - ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
 - iii) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or

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

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

- 2) When this insurance is excess, we will have no duty under Coverages **A** or **B** to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.
- 3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:
 - a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
 - b) The total of all deductible and self-insured amounts under all that other insurance.
- 4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

c. Method Of Sharing

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

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

5. Premium Audit

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

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

6. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

7. Separation Of Insureds

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

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

8. Transfer Of Rights Of Recovery Against Others To Us

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

9. When We Do Not Renew

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

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

SECTION V – DEFINITIONS

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

- a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
- b. Regarding web sites, only that part of a web site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

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

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

3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
4. "Coverage territory" means:
 - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
 - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph a. above; or
 - c. All other parts of the world if the injury or damage arises out of:
 - 1) Goods or products made or sold by you in the territory described in Paragraph a. above;
 - 2) The activities of a person whose home is in the territory described in Paragraph a. above, but is away for a short time on your business; or
 - 3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication;

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

5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.
7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
 - a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - b. You have failed to fulfill the terms of a contract or agreement;

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

9. "Insured contract" means:
 - a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
 - b. A sidetrack agreement;
 - c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
 - d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
 - e. An elevator maintenance agreement;
 - f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

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

- 1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
- 2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- 3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in 2) above and supervisory, inspection, architectural or engineering activities.

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

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

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
- b. While it is in or on an aircraft, watercraft or "auto"; or
- c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

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

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

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - 1) Power cranes, shovels, loaders, diggers or drills; or
 - 2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in Paragraph **a., b., c. or d.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - 1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - 2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in Paragraph **a., b., c. or d.** above maintained primarily for purposes other than the transportation of persons or cargo.

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

- 1) Equipment designed primarily for:
 - a) Snow removal;
 - b) Road maintenance, but not construction or resurfacing; or

c) Street cleaning;

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

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

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

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

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

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
- f. The use of another's advertising idea in your "advertisement"; or
- g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

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

16. "Products-completed operations hazard":

- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
 - 1) Products that are still in your physical possession; or
 - 2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:

- a) When all of the work called for in your contract has been completed.
- b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
- c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

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

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

- 1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
- 2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
- 3) Products or operations for which the classification, listed in the Declarations or in a policy Schedule, states that products-completed operations are subject to the General Aggregate Limit.

17. "Property damage" means:

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

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

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

18. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:

- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or

- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

19. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

20. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

21. "Your product":

a. Means:

- 1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - a) You;
 - b) Others trading under your name; or
 - c) A person or organization whose business or assets you have acquired; and
- 2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

b. Includes:

- 1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
- 2) The providing of or failure to provide warnings or instructions.

c. Does not include vending machines or other property rented to or located for the use of others but not sold.

22. "Your work":

a. Means:

- 1) Work or operations performed by you or on your behalf; and
- 2) Materials, parts or equipment furnished in connection with such work or operations.

b. Includes:

- 1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
- 2) The providing of or failure to provide warnings or instructions.



ERIE INSURANCE GROUP

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
WISCONSIN CHANGES - AMENDMENT OF POLICY CONDITIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

LIQUOR LIABILITY COVERAGE PART

POLLUTION LIABILITY COVERAGE PART

PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

1. The following is added to **CHANGES** (Common Policy Conditions):

If one of our agents knows of a fact that breaches a condition of this Coverage Part, we will be considered to have knowledge of this same fact if:

- a. The agent knows of this fact at the time the Coverage Part is issued or an application is made; or
- b. The agent later learns of this fact in the course of his dealings as an agent with you.

Any fact that breaches a condition of this Coverage Part and is known to the agent prior to loss shall not void the Coverage Part or prevent a recovery in the event of loss.

2. The **LEGAL ACTION AGAINST US** Condition (Section **IV**) does not apply.
3. The following is added to Condition **6. REPRESENTATIONS** (Section **IV**):

No misrepresentation or breach of affirmative warranty made by you or on your behalf in the negotiation of this Coverage Part affects our obligation under this Coverage Part unless:

- a. We rely on it and it is either material or made with intent to deceive; or
- b. The facts misrepresented or falsely warranted contribute to the loss.

No failure of a condition before the loss and not breach of a promissory warranty affects our obligation under this Coverage Part unless such failure or breach:

- a. Exists at the time of the loss; and
- b. Either increases the risk at the time of the loss or contributes to the loss.

The provisions of this condition do not apply to nonpayment of premium.

4. Condition **8. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US** (Section **IV**) is replaced by the following:

In the event of any payment under this Coverage Part, we will be entitled to the insured's rights of recovery against any person or organization and the insured will do whatever is necessary to secure such rights. We will be entitled to a recovery only after the insured has been fully compensated for damages.

5. **CONFORMITY TO STATUTE OR RULE**

Any provision of this policy (including endorsements which modify the policy) that is in conflict with a Wisconsin statute or rule is hereby amended to conform to that statute or rule.

The term rule means a valid rule promulgated by the Commissioner of Insurance in accordance with the rule-making authority conferred under Wis. Stat. Ann. Section 227.11(2) and published in the Wisconsin Administrative Code.



ERIE INSURANCE GROUP

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
ADDITIONAL INSURED - CONDOMINIUM UNIT OWNERS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART.

WHO IS AN INSURED (Section II) is amended to include as an insured each individual unit owner of the insured condominium, but only with respect to liability arising out of the ownership, maintenance or repair of that portion of the premises which is not reserved for that unit owner's exclusive use or occupancy.

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POLICY NUMBER:

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – MANAGERS OR LESSORS OF PREMISES

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Designation Of Premises (Part Leased To You):
Name Of Person(s) Or Organization(s) (Additional Insured):
Additional Premium: \$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you and shown in the Schedule and subject to the following additional exclusions:

This insurance does not apply to:

1. Any "occurrence" which takes place after you cease to be a tenant in that premises.
2. Structural alterations, new construction or demolition operations performed by or on behalf of the person(s) or organization(s) shown in the Schedule.

However:

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

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

B. With respect to the insurance afforded to these additional insureds, the following is added to Section III – Limits Of Insurance:

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

1. Required by the contract or agreement; or
2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

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

2. Exclusions

This insurance does not apply to:

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

Damages arising out of:

- 1) Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information or any other type of nonpublic information; or
- 2) The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

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

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

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

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

2. Exclusions

This insurance does not apply to:

Access Or Disclosure Of Confidential Or Personal Information

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

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

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – UNMANNED AIRCRAFT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

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

2. Exclusions

This insurance does not apply to:

g. Aircraft, Auto Or Watercraft

1) Unmanned Aircraft

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

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

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

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

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

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

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

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

i) Less than 26 feet long; and

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

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

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

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

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

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

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

2. Exclusions

This insurance does not apply to:

Unmanned Aircraft

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

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

This exclusion does not apply to:

- a. The use of another's advertising idea in your "advertisement"; or
- b. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

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

"Unmanned aircraft" means an aircraft that is not:

- 1. Designed;
- 2. Manufactured; or
- 3. Modified after manufacture;

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

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ERIE INSURANCE GROUP

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
ABUSE OR MOLESTATION EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to Paragraph 2., **Exclusions of Section I - Coverage A - Bodily Injury and Property Damage Liability** and Paragraph 2., **Exclusions of Section I - Coverage B - Personal and Advertising Injury Liability**:

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

1. The actual or threatened abuse or molestation by anyone of any person while in the care, custody or control of any insured, or

2. The negligent:

- a. Employment;
- b. Investigation;
- c. Supervision;
- d. Reporting to the proper authorities, or failure to so report; or
- e. Retention;

of a person for whom any insured is or ever was legally responsible and whose conduct would be excluded by Paragraph 1. above.

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CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

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

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

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

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
 2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- B.** The terms and limitations of any terrorism exclusion, or the inapplicability or omission of terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Part.

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WAIVER OF CHARITABLE IMMUNITY

This endorsement modifies insurance provided under the following:

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

We will waive, both in the adjustment of claims and in the defense of "suits" against the insured, any charitable immunity of the insured, unless the insured requests in writing that we not do so.

Waiver of immunity as a defense will not subject us to liability for any portion of a claim or judgment in excess of the applicable limit of insurance.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – PERFLUOROALKYL AND POLYFLUOROALKYL SUBSTANCES (PFAS)

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

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

2. Exclusions

This insurance does not apply to:

Perfluoroalkyl And Polyfluoroalkyl Substances

- a. "Bodily injury" or "property damage" which would not have occurred, in whole or in part, but for the actual, alleged, threatened or suspected inhalation, ingestion, absorption, consumption, discharge, dispersal, seepage, migration, release or escape of, contact with, exposure to, existence of, or presence of, any "perfluoroalkyl or polyfluoroalkyl substances".
- b. Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "perfluoroalkyl or polyfluoroalkyl substances", by any insured or by any other person or entity.

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

2. Exclusions

This insurance does not apply to:

Perfluoroalkyl And Polyfluoroalkyl Substances

- a. "Bodily injury" or "property damage" which would not have occurred, in whole or in part, but for the actual, alleged, threatened or suspected inhalation, ingestion, absorption, consumption, discharge, dispersal, seepage, migration, release or escape of, contact with, exposure to, existence of, or presence of, any "perfluoroalkyl or polyfluoroalkyl substances".

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

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

"Perfluoroalkyl or polyfluoroalkyl substances" means any:

1. Chemical or substance that contains one or more alkyl carbons on which hydrogen atoms have been partially or completely replaced by fluorine atoms, including but not limited to:
 - a. Polymer, oligomer, monomer or nonpolymer chemicals and their homologues, isomers, telomers, salts, derivatives, precursor chemicals, degradation products or by-products;
 - b. Perfluoroalkyl acids (PFAA), such as perfluorooctanoic acid (PFOA) and its salts, or perfluorooctane sulfonic acid (PFOS) and its salts;
 - c. Perfluoropolyethers (PFPE);
 - d. Fluorotelomer-based substances; or
 - e. Side-chain fluorinated polymers; or
2. Good or product, including containers, materials, parts or equipment furnished in connection with such goods or products, that consists of or contains any chemical or substance described in Paragraph C.1.

ERIESECURE BUSINESS PROPERTY COVERAGE PART

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

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

Other words and phrases that appear in quotation marks have special meaning. Refer to **Section VI – Extensions of Coverage** and **Section IX – Definitions**.

SECTION I – COVERAGES

INSURING AGREEMENT

We will pay for direct physical "loss" of or damage to covered property at the premises described in the "Declarations" caused by or resulting from a peril insured against.

BUILDING(S) – COVERAGE 1

A. Covered Property

Building(s) means buildings described in the "Declarations" and anything permanently attached. It also includes:

1. Building equipment and fixtures servicing the premises;
2. Personal property you have for the service and maintenance of the buildings and premises including, but not limited to the following:
 - a. Fire extinguishing equipment;
 - b. Alarm systems;
 - c. Outdoor furniture;
 - d. Floor coverings;
 - e. Appliances used for refrigerating, ventilating, cooking, dishwashing, or laundering; and
 - f. Flag poles and outdoor lights;
3. Vegetated roofs, including lawns, trees, shrubs, and plants which are part of a vegetated roof;
4. Foundations of buildings, structures, machinery, or boilers;
5. Retaining walls that are not part of the building, except those that are used to contain water;
6. Glass. The glass must be part of the building or in the building described in the "Declarations", including glass in wall cases.

Our payment for "loss" to glass will also include:

- a. Replacement of building glass with safety glazing materials when made necessary by an ordinance or building code;
 - b. Replacement of lettering, ornamentation, or burglar alarm foil;
 - c. Repair or replacement of frames;
 - d. Installation of temporary coverings; and
 - e. Removal of obstructions;
7. Exterior signs, lights, and clocks. Exterior signs, lights, and clocks must be permanently attached to buildings on the premises described in the "Declarations" or if unattached to the building, must be permanently mounted on the premises described in the "Declarations"; and
 8. Outdoor radio and television antennas (including satellite dishes) and lead-in wiring, masts, or towers.

B. Property Not Covered

Building(s) does not apply to:

1. Fences, walks, unattached outbuildings, tennis courts, and inground swimming pools not described in the "Declarations", except as provided in **Section VI – Extensions of Coverage – Fences, Walks, Unattached Outbuildings, Tennis Courts, and Inground Swimming Pools – Coverage 1**;
2. Outdoor above ground swimming pools and equipment pertaining thereto not described in the "Declarations";
3. Bulkheads, pilings, piers, wharves, or docks not described in the "Declarations";
4. Bridges, roadways, patios, or other paved surfaces;
5. The cost of excavations, grading, backfilling, or filling;
6. Trees, shrubs, lawns, and plants (other than trees, shrubs, lawns, and plants which are part of a vegetated roof), except as provided in **Section VI – Extensions of Coverage – Trees, Shrubs, Lawns, and Plants – Coverages 1 & 2**;
7. Underground pipes, flues, or drains;
8. Land (including land on which covered property is located) or water; and
9. Property specifically insured in whole or in part by this or any other insurance.

C. Amount of Insurance

The most we will pay for "loss" or damage to any building described in the "Declarations" in any one occurrence is the applicable Amount of Insurance shown in the "Declarations" for that building, subject to the applicable Automatic Adjustment of Coverage Amounts.

D. Automatic Adjustment of Coverage Amounts

This policy provides you with a guard against the effect of inflation on construction costs for **Building(s) – Coverage 1**.

We will keep track of construction costs and at the next policy period we will adjust the amount of your building coverage, if necessary. Your premium will be adjusted at each policy period to reflect any change in the Amount of Insurance.

During the policy period, if there is an increase in construction costs and a "loss" occurs, we will reflect the increase in the Amount of Insurance for **Building(s) – Coverage 1** before making payment. The amount of increase in the Amount of Insurance will be:

1. The Amount of Insurance that applied to your covered building(s) on the most recent of the policy inception date, or the policy anniversary date, or any other policy change amending the Amount of Insurance, times;
2. The percentage of annual increase shown in the "Declarations", expressed as a decimal (example: 8% is .08), times;
3. The number of days since the beginning of the current policy period or the effective date of the most recent policy change amending the Amount of Insurance to your covered building(s), divided by 365; and
4. There will be no charge for this additional coverage.

If the Amount of Insurance shown in the "Declarations" for **Building(s) – Coverage 1** is inadequate, these adjustments may not be sufficient to provide full recovery should a "loss" occur.

BUSINESS PERSONAL PROPERTY AND PERSONAL PROPERTY OF OTHERS – COVERAGE 2

A. Covered Property

Business Personal Property and Personal Property of Others means:

1. Personal property pertaining to your business, professional or institutional activities, including leased-property for which you are contractually responsible;
2. Personal property of others that is in your care, custody, or control;

3. Labor, materials, or services furnished or arranged by you on personal property of others;
4. Your use interest as a 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;
5. Leased personal property, to the extent of your contractual obligation to insure such property;
6. Personal property that you furnish in buildings rented to others as a landlord;
7. Exterior signs, lights, and clocks which you own or which are in your care, custody, or control and for which you are contractually responsible. Exterior signs, lights, and clocks must be permanently attached to the building on the premises described in the "Declarations" or if unattached to the building, must be permanently mounted on the premises described in the "Declarations";
8. Glass which is in your care, custody, or control and for which you are contractually responsible. The glass must be part of the building described in the "Declarations", including glass in wall cases.

Our payment for "loss" to glass will also include:

- a. Replacement of building glass with safety glazing materials when made necessary by an ordinance or building code;
- b. Replacement of lettering, ornamentation, or burglar alarm foil;
- c. Repair or replacement of frames;
- d. Installation of temporary coverings; and
- e. Removal of obstructions.

Business Personal Property and Personal Property of Others must be in or on the described buildings, or in the open, or in a vehicle on the premises described in the "Declarations" or within 1,500 feet thereof.

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

B. Property Not Covered

Business Personal Property and Personal Property of Others does not apply to:

1. "Automobiles" held for sale;
2. Vehicles or self-propelled machines (including "aircraft" or watercraft) that:

- a. Can be licensed for use on public roads, except vehicles that are solely used to service the premises described in the "Declarations"; or
- b. Are operated principally away from the premises described in the "Declarations".

This Paragraph 2. does not apply to:

- a. Vehicles or self-propelled machines or "automobiles" you manufacture, process, or warehouse;
 - b. Vehicles or self-propelled machines, other than "automobiles", you hold for sale;
 - c. Rowboats or canoes out of water at the premises described in the "Declarations"; or
 - d. Trailers, except as provided in **Section VI – Extensions of Coverage – Non-Owned Detached Trailers**;
3. "Money" and "securities", except as provided in **Section VI – Extensions of Coverage – Check, Credit, or Debit Card Forgery or Alteration; Counterfeit Money; Employee Dishonesty; or Money and Securities**;
 4. Your property sold on installment or deferred payment plans after delivery to customers;
 5. Household and personal articles of the insured, the insured's partners, members, or managers of a limited liability company, the insured's officers, or the insured's employees, except as provided in **Section VI – Extensions of Coverage – Personal Articles**;
 6. Trees, shrubs, lawns, and plants, except as provided in **Section VI – Extensions of Coverage – Trees, Shrubs, Lawns, and Plants – Coverages 1 & 2**;
 7. Crops and growing crops while outside of buildings;
 8. Contraband or property in the course of illegal transportation or trade;
 9. "Electronic data" including the cost to research, replace, or restore the information on "electronic data" or magnetic media, except as provided in **Section IV – Additional Coverages – Electronic Data Processing Equipment and Electronic Data Coverage**;
- We will cover "electronic data" which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning, or security systems.
10. The cost to research, replace, or restore the information on valuable papers and records, except as provided in **Section VI – Extensions of Coverage – Valuable Papers and Records**. Valuable papers and records include proprietary information; written, printed, or inscribed documents and records;

including books, maps, films, abstracts, drawings, deeds, mortgages, card index systems, and manuscripts;

11. Fine arts, except as provided in **Section VI – Extensions of Coverage – Fine Arts**. Fine arts include paintings; etchings; pictures; tapestries; rare or art glass; art glass windows; valuable rugs; statuary; sculptures; antique furniture; antique jewelry; porcelains; and similar property of rarity, historic value, or artistic merit;
12. Animals, unless owned by others and boarded by you or if owned by you as stock while inside the building described in the "Declarations";
13. "Mobile equipment":
 - a. While being used or stored away from the premises described in the "Declarations"; or
 - b. While at or being transported to or from job sites away from the premises described in the "Declarations"; and
14. Property specifically insured in whole or in part by this or any other insurance.

C. Amount of Insurance

The most we will pay for "loss" or damage to Business Personal Property and Personal Property of Others on the premises described in the "Declarations" in any one occurrence is the applicable Amount of Insurance shown in the "Declarations" for Business Personal Property and Personal Property of Others, subject to the applicable Automatic Adjustment of Coverage Amounts.

D. Automatic Adjustment of Coverage Amounts

This policy provides you with a guard against the effect of inflation on costs for **Business Personal Property and Personal Property of Others – Coverage 2**.

We will adjust the amount of your coverage for **Business Personal Property and Personal Property of Others – Coverage 2**, if necessary, and your premium will be adjusted at each policy period to reflect any change in the Amount of Insurance.

If the Amount of Insurance shown in the "Declarations" for **Business Personal Property and Personal Property of Others – Coverage 2** is inadequate, these adjustments may not be sufficient to provide full recovery should a "loss" occur.

INCOME PROTECTION – COVERAGE 3

A. Income Protection Coverage

Income Protection means loss of "income" and/or "rental income" you sustain due to partial or total "interruption of business" resulting directly from "loss" or damage to property on the premises described in the "Declarations" from a peril insured against. "Loss" or damage also

includes covered property in the open, or in a vehicle, on the premises described in the "Declarations" or within 1,500 feet thereof from a peril insured against.

If you are a tenant, your premises are the portion of the building described in the "Declarations" which:

1. You rent, lease, or occupy;
2. All routes within the building that service or are used to gain access to the described premises; and
3. The area within 1,500 feet of the premises described in the "Declarations" (with respect to "loss" or damage to covered property in the open or in a vehicle).

You are required to resume normal business operations as promptly as possible and shall use all available means to eliminate any unnecessary delay.

B. Extra Expense Coverage

"Extra expense" coverage is provided at the premises described in the "Declarations" only if the "Declarations" shows that Income Protection Coverage applies to that premises.

We will pay necessary actual and necessary "extra expenses" (other than the expense to repair or replace property) sustained by you to:

1. Avoid or minimize the "interruption of business" and to continue your business operations:
 - a. At the premises described in the "Declarations"; or
 - b. At replacement premises or at temporary locations, including:
 - 1) Relocation expenses; and
 - 2) Costs to equip and operate the replacement or temporary locations.
2. Minimize the "interruption of business" if you cannot continue your business operations to the extent it reduces the amount of loss that would have been payable under loss of "income" and/or "rental income".
3. Repair or replace your covered property; research, replace, or restore the lost information on damaged valuable papers, records, or "electronic data" to the extent it reduces the amount of loss that otherwise would have been payable under loss of "income" and/or "rental income".

We will not pay, under the Extra Expense Coverage, any "loss" or damage to your Building(s) or Business Personal Property and Personal Property of Others or the cost of research or any other expense to replace or restore valuable papers and records or "electronic data".

C. Additional Coverages

1. Civil Authority

When a peril insured against causes damage to property other than property at the premises described in the "Declarations", we will pay for the actual loss of "income" and/or "rental income" you sustain and necessary "extra expense" caused by action of civil authority that prohibits access to the premises described in the "Declarations" provided that both of the following apply:

- a. Access to the area immediately surrounding the damaged property is prohibited by civil authority as a result of the damage, and the premises described in the "Declarations" are within that area but are not more than one mile from the damaged property; and
- b. The action of civil authority is taken in response to dangerous physical conditions resulting from the damage or continuation of the peril insured against that caused the damage, or the action is taken to enable a civil authority to have unimpeded access to the damaged property.

Civil Authority coverage for "income" and/or "rental income" will begin seventy-two (72) hours after the time of the first action of civil authority that prohibits access to the premises described in the "Declarations" and will apply for a period of up to four consecutive weeks from the date on which such coverage began.

Civil Authority coverage for "extra expense" will begin immediately after the time of the first action of civil authority that prohibits access to the premises described in the "Declarations" and will end:

- a. Four consecutive weeks after the date of that action; or
- b. When your Civil Authority coverage for "income" and/or "rental income" ends;

whichever is later.

2. Full Resumption of Operations

We will also pay your actual loss of "income" and/or "rental income" for an additional sixty (60) days if your "income" and/or "rental income" after operations are resumed is less than your "income" and/or "rental income" before the loss. The additional amount we will pay will start after the later of the following times:

- a. The date on which the coverage for **Income Protection – Coverage 3** would terminate if this clause had not been included; or
- b. The date on which repair, replacement, or rebuilding of such part of the damaged or

destroyed property described in the "Declarations" is actually completed.

D. Amount of Insurance

1. We will pay the actual loss of "income" and/or "rental income" sustained by you for any one loss up to the Amount of Insurance shown in the "Declarations" for **Income Protection – Coverage 3** for the premises shown in the "Declarations".

The "income" and/or "rental income" loss sustained by you shall not exceed:

- a. The actual reduction of "income" and/or "rental income" during the "interruption of business"; and
- b. The reduction in rents received less charges and expenses which do not necessarily continue during the "interruption of business" or during the period when the tenant cannot inhabit the premises.

We will pay the actual Income Protection loss for only such length of time as would be required to resume normal business operations.

Payment of loss of "income" and/or "rental income" is not limited by the end of the policy period.

Payments for any loss under the following coverages are also subject to the Amount of Insurance shown in the "Declarations" for **Income Protection – Coverage 3** and will not increase this Amount of Insurance:

- a. Extra Expense Coverage;
 - b. Civil Authority; or
 - c. Full Resumption of Operations.
2. If the premises described in the "Declarations" shows Actual Loss Sustained for **Income Protection – Coverage 3** in the "Declarations", we will pay the actual loss of "income" and/or "rental income" sustained by you for any one loss for **Income Protection – Coverage 3** for that premises described in the "Declarations".

The "income" and/or "rental income" loss sustained by you shall not exceed:

- a. The actual reduction of "income" and/or "rental income" during the "interruption of business"; and
- b. The reduction in rents received less charges and expenses which do not necessarily continue during the "interruption of business" or during the period when the tenant cannot inhabit the premises.

We will pay the actual Income Protection loss for only such length of time as would be required to resume normal business operations. We will limit the time period to the shorter of the following periods:

- a. The time period required to rebuild, repair, or replace such part of the building or business personal property that has been damaged or destroyed as a direct result of a peril insured against; or
- b. From the date of loss, the period of indemnity shown in the "Declarations".

Payment of loss of "income" and/or "rental income" is not limited by the end of the policy period.

Payments under the following coverages are also subject to the time period to rebuild, repair, or replace covered property or the period of indemnity shown on the "Declarations":

- a. Extra Expense Coverage;
- b. Civil Authority; or
- c. Full Resumption of Operations.

SECTION II – PERILS INSURED AGAINST

BUILDING(S) – COVERAGE 1

BUSINESS PERSONAL PROPERTY AND PERSONAL PROPERTY OF OTHERS – COVERAGE 2

INCOME PROTECTION – COVERAGE 3

Covered Cause of Loss

This policy insures against direct physical "loss", except "loss" as excluded or limited in this policy.

SECTION III – EXCLUSIONS

A. Coverages 1, 2, and 3

We do not cover under **Building(s) – Coverage 1; Business Personal Property and Personal Property of Others – Coverage 2; and Income Protection – Coverage 3** "loss" or damage caused directly or indirectly by any of the following. Except as expressly set forth below such "loss" or damage is excluded regardless of any cause or event that contributes concurrently or in any sequence to the "loss":

1. Deterioration or depreciation.
2. Intentional "loss", meaning any "loss" arising from an act committed by or at the direction of the insured with the intent to cause a "loss".
3. "Loss" or damage caused by or resulting from any of the following:
 - a. By weather conditions, but only if weather conditions contribute in any way with a peril

excluded in **Section III – Exclusions A. Coverages 1, 2, and 3** to produce the "loss";

- b. By acts or decisions, including the failure to act or decide, by anyone;
- c. By faulty, inadequate, or defective:
 - a) Planning, zoning, development, or surveying;
 - b) Design, specifications, workmanship, repair, construction, renovating, remodeling, grading, or compaction;
 - c) Materials used in repair, construction, renovation, remodeling; or
 - d) Maintenance;

of property whether on or off the insured premises by anyone, but if "loss" by a peril insured against results, we will pay for the ensuing "loss".

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

5. Earth Movement

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

This exclusion applies regardless of whether any of the above, in Paragraphs **5.a.** through **5.d.**, is caused by an act of nature or is otherwise caused.

But if Earth Movement, as described in **5.a.** through **5.d.** above, results in fire, explosion, sprinkler leakage, volcanic action, or building glass breakage, we will pay for the "loss" or damage caused by such perils.

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

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

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

This does not include the cost to remove ash, dust, or particulate matter that does not cause direct "loss" to the covered property.

This exclusion does not apply to property being transported.

6. Water

- a. Flood, surface water, waves (including tidal water and tsunami), tides, tidal wave, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);
- b. Mudslide or mudflow;
- c. By water or sewage which backs up through sewers or drains or which enters into and overflows or is otherwise discharged from a sewer, drain, sump pump, sump pump well, or any other system designed to remove subsurface water which is drained from the foundation area;
- d. Water under the ground surface pressing on, flowing, or seeping through:
 - 1) Foundations, walls, floors, or paved surfaces;
 - 2) Sidewalks or driveways;
 - 3) Basements, whether paved or not; or
 - 4) Doors, windows, or other openings.
- e. Water from a broken water main. However, this exclusion does not apply to water flowing or seeping from a broken water main where the break occurs on the premises described in the "Declarations".
- f. Waterborne material carried or otherwise moved by any of the water referred to in Paragraphs **6.a.**, **6.c.**, **6.d.**, or **6.e.** or material carried or otherwise moved by mudslide or mudflow.

This exclusion applies regardless of whether any of the above, in Paragraphs **6.a.** through **6.f.**, is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam levee, seawall, or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if Water, as described in **6.a.** through **6.f.** results in fire, explosion, sprinkler leakage, volcanic action, or building glass breakage, we will pay for the "loss" or damage caused by such perils.

If electrical "covered equipment" requires drying out because of any of the above in Paragraphs **6.a.** through **6.c.**, we will pay for the direct expenses of such drying out subject to the applicable Amount of Insurance and deductible for **Section I – Buildings – Coverage 1 and Business Personal Property and Personal Property of Others – Coverage 2.**

This exclusion does not apply to property being transported.

7. War

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

With respect to any action that comes within the terms of this exclusion and involves nuclear reaction or radiation, or radioactive contamination, this War exclusion supersedes Paragraph **A.9. of Section III – Exclusions**, the nuclear hazard exclusion.

8. Seizure or destruction of covered property by order of governmental authority, except as provided in **Income Protection – Coverage 3 – C. Additional Coverages.**

We will also cover "loss" caused by acts of destruction ordered by governmental authority to prevent the spread of a fire.

9. Nuclear reaction or radiation or radioactive contamination unless fire ensues, and then only for ensuing "loss".
10. By the enforcement of or compliance with any law or ordinance regulating the construction, use, or repair of any property, or requiring the tearing down of any property, including the cost of removing its debris, except as provided in **Section VI – B. Extensions of Coverage – Building Ordinance or Law Coverage and Debris Removal.**
11. The failure of power, communication, water, or other utility service supplied to the premises described in the "Declarations", however caused, if the failure:

- a. Originates away from the premises described in the "Declarations"; or
- b. Originates at the premises described in the "Declarations", but only if such failure involves equipment used to supply the utility service to the premises described in the "Declarations" from a source away from the premises described in the "Declarations";

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

Communication services include but are not limited to service relating to internet access or access to any electronic, cellular, or satellite network. "Loss" or damage caused by a surge of power is also excluded, if the surge would not have occurred but for an event causing a failure of power.

This exclusion does not apply:

- a. To the extent that coverage is provided in **Section IV – Additional Coverages – D. Equipment Breakdown Coverage, 2.h. Refrigerated Property** and/or **2.i. Temperature Change; Section VI – Extensions of Coverage – A.4. Refrigerated Property** and/or **A.5. Temperature Change; and/or, Section VI – B.14. Income Protection – Off-Premises Utility Properties Failure; or**
- b. To the extent a covered "loss" ensues, but then only for ensuing "loss".

12. Loss Due To By-Products of Production or Processing Operations

- a. By or resulting from smoke, vapor, gas, or any substance released in the course of operations or processing operations performed at the premises described in the "Declarations".

This exclusion applies regardless of whether such operations are:

- 1) Legally permitted or prohibited;
- 2) Permitted or prohibited under the terms of the lease; or
- 3) Usual to the intended occupancy of the premises.

This exclusion does not apply to "loss" or damage caused by fire or explosion resulting from the release of a by-product of the production or processing operation.

- b. The conduct of a tenant's production or processing operations will not be considered to be vandalism of the rental premises regardless of whether such operations are:
 - 1) Legally permitted or prohibited;

- 2) Permitted or prohibited under the terms of the lease; or
- 3) Usual to the intended occupancy of the premises.

Section III – Exclusions A.5. through A.12. apply whether or not the "loss" event results in widespread damage or affects a substantial area.

13. Cyber Event

Any "cyber event" including:

- a. Unauthorized access to or use of any computer system (including electronic data).
- b. "Malicious code", electronic vandalism, magnetic injury, virus, harmful code, or similar instruction introduced into or enacted on a computer system (including "electronic data") or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation.
- c. Denial of service attack which disrupts, prevents, or restricts access to our use of any computer system, or otherwise disrupts its normal functioning or operation.

But if a "cyber event" as described above results in a fire or explosion, we will pay for the "loss" or damage caused such perils.

This exclusion does not apply to the extent that coverage is provided under **Section IV – Additional Coverages – C. Electronic Data Processing Equipment and Electronic Data Coverage** and **Section IV – Additional Coverages – D. Equipment Breakdown Coverage**.

B. Coverages 1, 2, and 3

We do not cover under **Building(s) – Coverage 1, Business Personal Property and Personal Property of Others – Coverage 2, and Income Protection – Coverage 3** "loss" or damage caused:

1. By:
 - a. Wear and tear, rust, or corrosion;
 - b. Change in flavor, color, texture, or finish;
 - c. Damp or dry air;
 - d. Inherent vice;
 - e. Smog;
 - f. Latent or hidden defect;
 - g. Marring or scratching;
 - h. Smoke, vapor, or gases from agricultural or industrial operations;

- i. Settling, cracking, shrinking, bulging or expansion of pavements, foundations, walls, floors, roofs, or ceilings;
- j. Nesting or infestation, or discharge, or release of waste products or secretions, by insects, birds (except glass breakage), rodents, or other animals; or
- k. Mechanical breakdown, including rupture or bursting caused by centrifugal force (except as provided in **Section IV – Additional Coverages – D. Equipment Breakdown Coverage**).

unless a covered "loss" including "accident" or "electronic circuitry impairment" ensues, and then only for ensuing "loss".

2. By discharge, dispersal, seepage, migration, release, or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release, or escape is itself caused by a peril insured against. But if "loss" or damage by a peril insured against results from the discharge, dispersal, seepage, migration, release, or escape of "pollutants", we will pay for the resulting damage caused by the peril insured against.
3. By mysterious disappearance, unexplained "loss", or inventory shortage. We will accept inventory records as a means of proving the amount of a covered "loss".
4. By the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot, or bacteria.

But, if "fungus", wet or dry rot, or bacteria results in a covered "loss" from a peril insured against, we will pay for the "loss" or damage caused by that peril insured against.

This exclusion does not apply:

- a. When "fungus", wet or dry rot, or bacteria results from fire or lightning; or
- b. To the extent that coverage is provided in **Section IV – Additional Coverages – B. Limited Coverage For "Fungus", Wet Rot, Dry Rot, and Bacteria**, with respect to "loss" or damage caused by a peril insured against other than fire or lightning.
5. By continuous or repeated seepage or leakage of water or the presence or condensation of humidity, moisture, or vapor, that occurs over a period of fourteen (14) days or more.
6. By freezing due to temperature reduction to plumbing, heating, air conditioning, or other equipment or appliances (except fire protective systems) or by water, other liquids, powder, or molten material that leaks or flows from such items while the described building is vacant for more than sixty (60)

consecutive days, unless you have exercised reasonable care to:

- a. Maintain heat in the building; or
- b. Shut off the water supply and drain the system or appliance of water.

We will pay the cost to tear out and replace any part of the building described in the "Declarations" to repair damage to the system or appliance from which the water, other liquids, powder, or molten material escapes.

We will not pay for the cost to repair or replace any defect in the system or appliance that caused the "loss" or damage.

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

But if collapse results in a peril insured against at the premises described in the "Declarations", we will pay for the "loss" or damage caused by the peril insured against.

Section III – Exclusion B.7. does not apply:

- a. To the extent that coverage is provided in **Section IV – Additional Coverages – A. Collapse;** or
- b. To collapse caused by one or more of the following:
 - 1) Fire; lightning; windstorm; hail; explosion; smoke; aircraft; vehicles; riot; civil commotion; vandalism or malicious mischief; breakage of building glass; falling objects; weight of snow, ice, or sleet; "sinkhole collapse"; or volcanic action;
 - 2) Water damage resulting from the accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of plumbing, heating, air conditioning, or other equipment or appliances, but does not include damage from a sump pump, sump pump well, or any other system designed to remove subsurface water which is drained from the foundation areas;
 - 3) Breakage of building glass;

4) Weight of rain that collects on a roof; or

5) Weight of people or personal property.

8. By explosion of, including resulting damage to, steam boilers, steam pipes, steam turbines, or steam engines if owned by, leased by, or operated under your control (except as provided in **Section IV – Additional Coverages – D. Equipment Breakdown Coverage**). We also do not cover damage to these caused by any condition or occurrence within the boilers, pipes, turbines, or engines (except as provided in **Section IV – Additional Coverages – D. Equipment Breakdown Coverage**). We will pay for "loss" from the explosion of gases or fuel within the combustion chamber, flues, or passages of any fired vessel. We will also pay for "loss" by ensuing fire or explosion not included in this paragraph.
9. To hot water boilers or other water heating equipment, caused by a condition or occurrence within the boilers or equipment, other than an explosion (except as provided in **Section IV – Additional Coverages – D. Equipment Breakdown Coverage**).
10. By artificially generated electrical current including electric arcing (except as provided in **Section IV – Additional Coverages – D. Equipment Breakdown Coverage**), unless fire or explosion ensues, and then only for ensuing "loss".
11. To the interior of the building or the contents by rain, snow, sand, or dust, whether driven by wind or not, unless the exterior of the building first sustains damage to its roof or walls by a peril insured against. We will pay for "loss" caused by or resulting from the thawing of snow, sleet, or ice on the building.
12. To outdoor radio or television antennas (including satellite dishes) and its lead-in wiring, masts, or towers by windstorm or hail.
13. By dishonest or criminal acts (including theft) committed by you, or any of your members of a limited liability company, or any of your employees (including temporary or leased employees), directors, officers, trustees, or authorized representatives:
 - a. Acting alone or in collusion with other persons; or
 - b. While performing services for you or otherwise.We will cover acts of destruction by your employees (including temporary or leased employees) but only for ensuing "loss", but there is no coverage for "loss" or damage:
 - a. By theft by your employees (including temporary or leased employees) or any person to whom you entrust property for any purpose, whether acting alone or in collusion with any other party; or

- b. Caused by or resulting from manipulation, including the introduction or enaction of any virus, harmful code, or similar instruction, of a computer system (including "electronic data") by your employees.

We will cover "loss" caused by dishonest acts by carriers or other bailees for hire.

- 14. From any defect, programming error, programming limitation, computer virus, "malicious code", loss of "electronic data", loss of access, loss of use, loss of functionality, or other condition within or involving "electronic data" or "media" of any kind, except as provided in **Section IV – Additional Coverages – C. Electronic Data Processing Equipment – Computer Virus, Electronic Data – Expenses for Reproduction or Replacement, and Income Protection – Computer Operations.**
- 15. To any merchandise, goods, or other product caused by or resulting from error or omission by any person or entity (including those having possession under an agreement where work or a portion of the work is outsourced) in any stage of the development, production, or use of the product, including planning, testing, processing, packaging, installation, maintenance, or repair. This exclusion applies to any effect that compromises the form, substance, or quality of the product. But if such error or omission results in a "loss" by a peril insured against, we will pay for the "loss" or damage caused by that peril insured against.
- 16. By or resulting from any virus, bacterium, or other microorganism that induces or is capable of inducing physical distress, illness, or disease.

C. Coverage 1

We do not cover under **Building(s) – Coverage 1** "loss" or damage caused:

- 1. To fences, pavements, outdoor swimming pools, and related equipment, retaining walls, bulkheads, piers, wharves, or docks, when covered under the policy, by freezing or thawing, impact of watercraft, or by the pressure or weight of ice or water whether driven by wind or not.
- 2. To building materials and supplies not attached as part of the building, unless held for sale by you, caused by or resulting from theft. We will cover "loss" to building materials and supplies located in the building described in the "Declarations" caused by a peril insured against including theft. We will pay up to 10% of the **Building(s) – Coverage 1** Amount of Insurance but not to exceed \$100,000 for any one "loss".
- 3. To vegetated roofs for "loss" caused by or resulting from:

- a. Dampness or dryness of atmosphere or of soil supporting the vegetation;
- b. Changes in or extremes of temperature;
- c. Disease;
- d. Frost or hail; or
- e. Rain, snow, ice, or sleet.

- 4. By color mismatch because of weathering, fading, oxidizing, or wear and tear between the existing undamaged roof and/or siding on the building and new material used to repair or replace the damaged roof and/or siding. This exclusion does not apply to the extent that coverage is provided in **Section VI – Extensions of Coverage – Siding and/or Roofing Restoration.** (IN only – This exclusion does not apply to any building used as a residence.)
- 5. By mismatch because materials are unavailable, obsolete, or discontinued between the existing undamaged roof and/or siding on the building and new material used to repair or replace the damaged roof and/or siding. This exclusion does not apply to the extent that coverage is provided in **Section VI – Extensions of Coverage – Siding and/or Roofing Restoration.** (IN only – This exclusion does not apply to any building used as a residence.)

D. Coverage 2

We do not cover under **Business Personal Property and Personal Property of Others – Coverage 2** "loss" or damage caused:

- 1. From your, or anyone acting on your express or implied authority, being induced by any dishonest act to voluntarily part with title or possession of any property.
- 2. By rain, snow, or sleet to property in the open.
- 3. By any legal proceeding.
- 4. By actual work upon property being altered, repaired, installed, serviced, or faulty materials or workmanship, unless fire ensues, and then only for "loss" through ensuing fire.
- 5. By delay, loss of use, or loss of market.
- 6. To property that has been transferred to a person or to a place outside the premises described in the "Declarations" on the basis of unauthorized instructions.
- 7. By theft of furs and fur garments. We will pay for "loss" of furs and fur garments by "burglary" up to \$10,000 for any one "loss".
- 8. By theft of gold and other precious metals and alloys. We will pay for theft of any one article of jewelry up to \$500, but our payment will not exceed \$10,000 for any one "loss". Jewelry means jewelry, necklaces,

bracelets, rings, earrings, gems, precious and semi-precious stones, articles containing one or more gems, and articles made of gold or other precious metals.

E. Coverage 3

We do not cover under **Income Protection – Coverage 3**:

1. Consequential damages resulting from the breach of contractual obligations.
2. Increase of "loss" caused by or from delay in rebuilding, repairing, or replacing the property or resuming operations, due to interference at the location of the rebuilding, repair, or replacement by strikers or other persons.
3. Loss due to delay or loss of market.
4. Increase of "loss" caused by or resulting from the suspension, lapse, or cancellation of any license, lease, or contract. We will pay for loss of "income" and/or "rental income" during the "interruption of business" and during the period of Full Resumption of Operations if the suspension, lapse, or cancellation is caused by the suspension of your business.
5. "Extra expense" caused by the suspension, lapse, or cancellation of any license, lease, or contract beyond the "interruption of business".
6. Increase of "loss" resulting from ordinance or law regulating the prevention, control, repair, clean-up, or restoration of environmental damage.
7. Income Protection specifically insured in whole or in part by this or any other insurance.

SECTION IV – ADDITIONAL COVERAGES

A. Collapse

The coverage provided under this **Additional Coverage – Collapse** applies only to an abrupt collapse as described and limited in **A.1.** through **A.7.** below:

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

- b. Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
- c. Use of defective material or methods in construction, remodeling, or renovation if the abrupt collapse occurs during the course of construction, remodeling, or renovation;
- d. Use of defective material or methods in construction, remodeling, or renovation if the abrupt collapse occurs after the course of the construction, remodeling, or renovation is complete, but only if the collapse is caused in part by:
 - 1) A cause of "loss" listed in **2.a.** and **2.b.** above;
 - 2) Fire; lightning; windstorm; hail; explosion; smoke; aircraft; vehicles; riot; civil commotion; vandalism or malicious mischief; breakage of building glass; falling objects; weight of snow, ice, or sleet; "sinkhole collapse"; or volcanic action;
 - 3) Water damage resulting from the accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of any part of plumbing, heating, air conditioning, or other equipment or appliances, but does not include damage from a sump pump, sump pump well, or any other system designed to remove subsurface water which is drained from the foundation areas;
 - 4) Breakage of building glass;
 - 5) Weight of rain that collects on a roof; or
 - 6) Weight of people or personal property.
3. We will pay up to \$20,000 for expenses involved in replacing, stabilizing, refilling, or rebuilding the land necessary to support the building described in the "Declarations" damaged by "sinkhole collapse". This payment of \$20,000 is an additional Amount of Insurance and will increase the total Amount of Insurance available.
4. This **Additional Coverage – Collapse** does not apply to:
 - a. A building or any part of a building that is in danger of falling down or caving in;
 - b. A part of a building that is standing, even if it has separated from another part of the building; or
 - c. A building that is standing or any part of a building that is standing, even if it shows evidence of

cracking, bulging, sagging, bending, leaning, settling, shrinkage, or expansion.

5. With respect to the following property:
 - a. Outdoor radio or television antennas (including satellite dishes) and its lead-in wiring, masts, or towers;
 - b. Awnings, gutters, and downspouts;
 - c. Yard fixtures;
 - d. Outdoor swimming pools;
 - e. Fences;
 - f. Piers, wharves, and docks;
 - g. Beach or diving platforms or appurtenances;
 - h. Retaining walls; and
 - i. Walks, roadways, and other paved surfaces;if an abrupt collapse is caused by a cause of "loss" listed in **2.a.** through **2.d.** above, we will pay for "loss" or damage to that property listed in **5.a.** through **5.i.** above only if:
 - a. Such "loss" or damage is a direct result of the abrupt collapse of a building insured under this Coverage Part; and
 - b. The property is covered property under this Coverage Part.
6. If Business Personal Property and Personal Property of Others falls down or caves in and such collapse is not the result of an abrupt collapse of a building, we will pay for "loss" or damage to covered property caused by such collapse of Business Personal Property and Personal Property of Others only if:
 - a. The collapse of Business Personal Property and Personal Property of Others was caused by a cause of "loss" listed in **2.a.** through **2.d.** above;
 - b. The Business Personal Property and Personal Property of Others which collapsed was inside a building; and
 - c. The property which collapsed was not of a kind listed in **5.a.** through **5.i.** above, regardless of whether that kind of property is considered to be business personal property or real property.

The coverage stated in this Paragraph **6.** does not apply to Business Personal Property and Personal Property of Others if marring and/or scratching is the only damage to that Business Personal Property and Personal Property of Others caused by the collapse.

7. This **Additional Coverage – Collapse** does not apply to Business Personal Property and Personal Property of Others that has not abruptly fallen down

or caved in, even if the Business Personal Property and Personal Property of Others shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage, or expansion.

8. This **Additional Coverage – Collapse** will not increase the Amount of Insurance provided in this Coverage Part, except as provided in **Section IV – Additional Coverage – Collapse**, paragraph **A. 3.**
 9. The term peril insured against includes the **Additional Coverage – Collapse** as described and limited in **A.1.** through **A.7.** above.
- B. Limited Coverage for "Fungus", Wet Rot, Dry Rot, and Bacteria**
1. The coverage described in Paragraphs **2.** through **6.** below only applies when the "fungus", wet or dry rot, or bacteria is the result of a peril insured against, other than fire and lightning, that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.
 2. We will pay for "loss" or damage by "fungus", wet or dry rot, or bacteria. As used in this Limited Coverage, the term "loss" or damage means:
 - a. Direct physical "loss" or damage to covered property caused by "fungus", wet or dry rot, or bacteria, including the cost of removal of the "fungus", wet or dry rot, or bacteria;
 - b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot, or bacteria; and
 - c. The cost of testing performed before, during, or after removal, repair, replacement, or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet or dry rot, or bacteria are present.
 3. The coverage described in Paragraph **2.** above of this Limited Coverage is limited to \$25,000. Regardless of the number of claims, this Amount of Insurance is the most we will pay for the total of all "loss" or damage arising out of all occurrences caused by a peril insured against, other than fire and lightning, which takes place in a twelve (12) month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of "loss" which results in "fungus", wet or dry rot, or bacteria, we will not pay more than a total of \$25,000 even if the "fungus", wet or dry rot, or bacteria continues to be present, active, or recurs, in a later policy period.
 4. The coverage provided under this Limited Coverage does not increase the applicable Amount of

Insurance on any covered property. If a particular occurrence results in "loss" or damage by "fungus", wet or dry rot, or bacteria, and other "loss" or damage, we will not pay more, for the total of all "loss" or damage, than the applicable Amount of Insurance on the affected covered property.

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

5. The terms of this Limited Coverage do not increase or reduce the coverage provided under **Section III – Exclusions B.4. Coverages 1, 2, and 3** or under **Section IV – Additional Coverages – A. Collapse**.
6. The following Paragraphs **6.a.** and **6.b.** apply only if the "interruption of business" satisfies all terms and conditions of **Income Protection – Coverage 3**:
 - a. If the covered "loss" which resulted in "fungus", wet or dry rot, or bacteria does not itself necessitate an "interruption of business", but such "interruption of business" is necessary due to "loss" or damage to covered property caused by "fungus", wet or dry rot, or bacteria, then we will pay the actual loss of "income" or "rental income" sustained by you in a period of not more than thirty (30) days. The days need not be consecutive.
 - b. If the "interruption of business" was caused by "loss" or damage other than "fungus", wet or dry rot, or bacteria but remediation of "fungus", wet or dry rot, or bacteria prolongs the "interruption of business", we will pay the actual loss of "income" and/or "rental income" sustained by you during the delay (regardless of when such a delay occurs during the "interruption of business") in a period of not more than thirty (30) days. The days need not be consecutive.
7. The coverage described under Paragraph **6.a.** and **6.b.** above of this Limited Coverage is limited to \$25,000. Regardless of the number of claims, this Amount of Insurance is the most we will pay for the total of all loss of "income" and/or "rental income" arising out of your "interruption of business" in a twelve (12) month period (starting with the beginning of the present annual policy period). With respects to a particular occurrence of loss which results in "fungus", wet or dry rot, or bacteria, we will not pay more than a total of \$25,000 for loss of "income" and/or "rental income" even if the "fungus", wet or dry rot, or bacteria continues to be present, active, or

recurs in a later policy period resulting in an "interruption of business".

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

C. **Electronic Data Processing Equipment and Electronic Data Coverage**

Payments under this **Electronic Data Processing Equipment – Computer Virus, Electronic Data – Expenses for Reproduction or Replacement**, and **Income Protection – Computer Operations** are an additional Amount of Insurance and will increase the total Amount of Insurance available for the coverage involved.

1. **Electronic Data Processing Equipment – Computer Virus**

We will cover "loss" or damage to "electronic data processing equipment" caused by magnetic injury or computer virus. We will pay up to \$15,000 for any one "loss" to "electronic data processing equipment".

We do not cover:

- a. "Electronic data processing equipment" which the insured rents or leases to others while it is away from the premises described in the "Declarations".
- b. "Loss" caused by processing operations or "loss" that occurred while the insured property is being worked on unless fire or explosion ensue, and then only for "loss", damage, or expense caused by the ensuing fire or explosion.

"Electronic data processing equipment" means computers, terminals, teleprinters, readers, telephone systems, computerized cash registers, word processing equipment, and equipment and parts related to the processing unit.

"Electronic data processing equipment" does not include computer operated or controlled production or processing machinery or equipment or a separate computer or computerized control panels used to operate the production or processing machinery or equipment.

The property deductible applies.

2. **Electronic Data – Expenses for Reproduction or Replacement**

We will cover the expenses incurred to reproduce or replace your "electronic data" when destruction or corruption is caused by a peril insured against including "loss" by theft. This includes your "electronic data" that is destroyed or corrupted by magnetic injury, virus, harmful code, or similar instruction introduced into or enacted on a computer system (including "electronic data") or a network to which

it is connected, designed to damage or destroy any part of the system or disrupts its normal operation.

Coverage is limited to "electronic data" which is owned by you or licensed or leased to you, originates and resides in your computers.

This additional Amount of Insurance does not apply to "electronic data" which is integrated in and operates or controls the building's elevator, lighting, heating, ventilation, air conditioning, or security systems.

"Loss" or damage to "electronic data" will be valued at the cost of reproduction or replacement including the cost of data entry, re-programming, and computer consultation services. But we will not pay the cost to duplicate research that led to the development of your "electronic data".

To the extent that "electronic data" is not reproduced or replaced, the "loss" will be valued at the cost of replacement of the "media" on which "electronic data" was stored, with blank "media" of a substantially identical type.

The most we will pay for the expenses incurred in the reproduction or replacement of your "electronic data" is \$25,000.

The property deductible applies.

3. **Income Protection – Computer Operations**

- a. **Income Protection – Coverage 3** is extended to cover your loss of "income" you sustain due to partial or total "interruption of business" resulting directly from an interruption in your computer operations due to your "electronic data" being destroyed or corrupted by a peril insured against including loss by theft. This includes your loss of "income" resulting from your "electronic data" that is destroyed or corrupted by magnetic injury, virus, harmful code, or similar instruction introduced into or enacted on a computer system (including "electronic data") or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation.
- b. The most we will pay for your loss of "income" due to "interruption of business" resulting from an interruption to your computer operations in any one policy year, regardless of the number of interruptions or the number of premises, locations, or computer systems involved is \$25,000. If the loss payment relating to the first interruption does not exhaust this Amount of Insurance, then the balance is available for loss or expense sustained or incurred as a result of subsequent interruptions during that policy year. With respect to any interruption which begins in one

policy year and continues or results in additional loss or expense in a subsequent policy year(s), all loss and expense is deemed to be sustained or incurred in the policy year in which the interruption began.

- c. This **Income Protection – Coverage 3** does not apply to loss sustained or expense incurred after the end of the period of restoration even if the \$25,000 Amount of Insurance has not been exhausted.
- d. Coverage for **Income Protection – Coverage 3** does not apply when "interruption of business" is due to damage or corruption of "electronic data", or any loss to "electronic data", except as provided under Paragraphs **a.** through **c.** above of this **Income Protection – Computer Operations**.

No deductible applies to **Income Protection – Coverage 3**.

4. **Exclusions – Electronic Data – Expenses for Reproduction or Replacement and Income Protection – Computer Operations**

We do not cover under **Electronic Data – Expenses for Reproduction or Replacement and Income Protection – Computer Operations**:

- a. "Media" and "electronic data" which cannot be replaced with the same kind or quality.
- b. Program support documentation such as flow charts, record formats, or narrative descriptions unless they are converted to "electronic data" form and then only in that form.
- c. "Loss" caused by errors or omissions or deficiency in design, specifications, materials, or workmanship, unless fire or explosion ensues, and then only for "loss", damage, or expense caused by the ensuing fire or explosion.
- d. "Loss" caused by errors or omissions in programming or processing operations or "loss" that occurred while the insured property is being worked on unless fire or explosion ensues, and then only for "loss", damage, or expense caused by the ensuing fire or explosion.
- e. "Loss" or damage caused by or resulting from manipulation, including the introduction or enactment of any virus, harmful code, or similar instruction of a computer system (including "electronic data") by any employee (including a temporary or leased employee), or by an entity retained by you, or for you, to inspect, design, install, modify, maintain, repair, or replace that system.

D. Equipment Breakdown Coverage

The term Covered Cause of Loss in **Section II – Perils Insured Against** includes the **Additional Coverage – Equipment Breakdown Coverage** as described and limited below. Without an "accident" or "electronic circuitry impairment", there is no Equipment Breakdown Coverage. This **Section IV – Additional Coverages – Equipment Breakdown Coverage** is subject to the policy deductible shown in the "Declarations".

1. We will pay for direct physical damage to covered property that is the direct result of an "accident" or "electronic circuitry impairment". We will consider "electronic circuitry impairment" to be physical damage to "covered equipment".

2. The following coverages also apply to the direct result of an "accident" or "electronic circuitry impairment". These coverages do not provide an additional Amount of Insurance.

a. Ammonia Contamination

If covered property is contaminated by ammonia as a result of an "accident" or "electronic circuitry impairment", we will pay up to \$25,000 including salvage expense for any one "loss".

b. Electronic Data Restoration

- 1) We will pay for your reasonable and necessary cost to research, replace, and restore lost "electronic data".
- 2) We will pay up to \$50,000 for loss or expense under this coverage, including actual loss of "income" and/or "rental income" you sustain and necessary "extra expense" you incur.

c. Expediting Expenses

With respect to your damaged covered property, we will pay up to \$25,000 for the reasonable extra cost to:

- 1) Make temporary repairs; and
- 2) Expedite permanent repairs or permanent replacement.

d. Future Loss Avoidance

- 1) This coverage only applies if you have received payment under this Equipment Breakdown Coverage for an "accident" or "electronic circuitry impairment" that occurred at a premises shown in the "Declarations".
- 2) We will pay your costs to purchase and install Protective Equipment at the location of the loss as follows:

- a) Electrical surge protection or single phase Protective Equipment; or
- b) Other Protective Equipment if we agree that such equipment would reasonably reduce the likelihood of a future "accident" or "electronic circuitry impairment" similar to the one for which you have received payment from us. We will not unreasonably withhold such agreement.

- 3) As used in this coverage, Protective Equipment means a permanently installed physical device with the principal function of safeguarding one or more pieces of "covered equipment" from a physical damage.

- 4) We must receive your invoices for any purchase and installation costs no later than 180 days after the date you receive the payment for the loss from us.

- 5) With respect to any "one equipment breakdown", the most we will pay is the lesser of the following:

- a) 10% of our Eligible Payment to you prior to any payment under this Future Loss Avoidance coverage; or
- b) \$10,000.

- 6) As used in this coverage, Eligible Payment means our total payment to you not including the following:

- a) Any deductible or coinsurance amount; or
- b) Any payment made after this policy has been cancelled or non-renewed.

e. Hazardous Substances

- 1) We will pay your additional cost to repair or replace covered property because of contamination by a "hazardous substance". This includes the additional expenses to clean up or dispose of such property. As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no "hazardous substance" been involved.

- 2) This coverage does not apply to testing, clean up, or disposal of land, water, or any other property that is not covered property.

- 3) This does not include contamination of covered property by refrigerant, including but not limited to ammonia, which is addressed in Paragraph 2.a. above. As used in

this coverage, additional costs mean those beyond what would have been payable under this coverage had no "hazardous substance" been involved.

- 4) We will pay up to \$25,000 for "loss", damage, or expense under this coverage, including actual loss of "income" and/or "rental income" you sustain and necessary "extra expense" you incur.
- f. Mobile Robots
- 1) We will pay for physical damage to covered property from an "accident" or "electronic circuitry impairment" when the "covered equipment" is a "mobile robot".
 - 2) The most we will pay under this Mobile Robots coverage is \$50,000. This amount includes Electronic Data Restoration, and the actual loss of "income" and/or "rental income" you sustain, necessary "extra expense" you incur.
- g. Off-Premises Equipment Breakdown
- 1) We will pay for physical damage to portable "covered equipment" that, at the time of the "accident" or "electronic circuitry impairment" is not at a covered location.
 - 2) We will also pay for your reasonable and necessary cost to research, replace, and restore lost "electronic data" contained within portable "covered equipment" as described under Paragraph 1) above. This amount may not exceed the Amount of Insurance applicable to Electronic Data Restoration.
 - 3) With respect to this Off-Premises Equipment Breakdown coverage only, the "accident" or "electronic circuitry impairment" may occur anywhere in the world except within any country on which the United States has imposed sanctions, embargoes, or similar restrictions on the provision of insurance.
 - 4) The most we will pay under this Off-Premises Equipment Breakdown coverage is \$25,000. Our payment under this coverage includes:
 - a) The actual loss of "income" and/or "rental income" you sustain and necessary "extra expense" you incur; and
 - b) Electronic Data Restoration as described in 2) above.
- h. Off-Premises Utility Properties Failure

- 1) Any insurance provided for Income Protection, Extra Expense, and Electronic Data Restoration as described in Paragraph 2.b. above or Refrigerated Property as described in Paragraph 2.i. below is extended to apply to your "loss", damage, or expense caused by a failure or disruption of service to the premises described in the "Declarations". The failure or disruption of service must be caused by an "accident" or "electronic circuitry impairment" to equipment, including overhead transmission lines, that is owned by a utility, landlord, a landlord's utility or other supplier who provides you with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, "cloud or outsourced computing services", wide area networks, or data transmission. The equipment must meet the definition of "covered equipment" except that it is not covered property.
- 2) "Cloud or outsourced computing services" must be provided by a professional provider with whom you have a contract. With respect to this Off-Premises Utility Properties Failure coverage only, the "accident" or "electronic circuitry impairment" to the equipment of a provider of "cloud or outsourced computing services" may occur anywhere in the world except within any country on which the United States has imposed sanctions, embargoes, or similar restrictions on the provision of insurance.
- 3) With respect to the Electronic Data Restoration portion of this Off-Premises Utility Properties Failure coverage, coverage will also apply to "electronic data" stored in the equipment of a provider of "cloud or outsourced computing services".
- 4) Off-Premises Utility Properties Failure coverage will not apply unless the failure or disruption of service exceeds twenty-four (24) hours immediately following the "accident" or "electronic circuitry impairment". If the interruption exceeds twenty-four (24) hours, coverage will begin at the time of the disruption, and the applicable deductible will apply.
- 5) The most we will pay in any "one equipment breakdown" for "loss", damage, or expense under this coverage is the applicable Amount of Insurance for Electronic Data Restoration as described in Paragraph 2.b.

above or Refrigerated Property as described in Paragraph 2.I. below. The most we will pay in any "one equipment breakdown" for loss of "income" and/or "rental income" you sustain and "extra expense" you incur under **Section 1 – Income Protection – Coverage 3** is \$25,000.

i. Public Relations

- 1) This coverage only applies if you have sustained an actual loss of "income" covered under this **Section IV – Additional Coverages – Equipment Breakdown Coverage**.
- 2) We will pay for your reasonable costs for professional services to create and disseminate communications, when the need for such communications arises directly from the interruption of your business. This communication must be directed to one or more of the following:
 - i. The media or other news organizations;
 - ii. The public; or
 - iii. Your customers, clients, or members.
- 3) Such costs must be incurred during the period of restoration or up to thirty (30) days after the period of restoration has ended.
- 4) We will pay up to \$25,000 for loss or expense for this coverage.

j. Resultant Damage to Animals

- 1) Any insurance provided for "animals" is extended to this Section IV – Additional Coverage – Equipment Breakdown Coverage.
- 2) The most we will pay under this Resultant Damage to Animals coverage is \$25,000. This amount includes the actual loss of "income" and/or "rental income" and necessary "extra expense" you incur.

k. Resultant Loss from a Cyber Event

All coverages under this Equipment Breakdown Coverage are extended to an "accident" or "electronic circuitry impairment" caused by or resulting from a "cyber event".

l. Refrigerated Property

Section I – Business Personal Property and Personal Property of Others – Coverage 2 covers "loss" to the contents of refrigeration equipment on the premises described in the "Declarations".

m. Temperature Change

Section I – Business Personal Property and Personal Property of Others – Coverage 2 covers "loss" resulting from temperature or humidity change.

3. Equipment Breakdown Coverage Exclusions

- a. For purposes of coverage under **Section IV – Additional Coverages – Equipment Breakdown Coverage**, the exclusions in **Section III – Exclusions** apply, except, for the purposes of this coverage only, the following exclusions in **Section III – Exclusions** are modified as follows:

- 1) We will not pay for "loss", damage, or expense caused directly or indirectly by any of the following, whether or not caused by or resulting from an "accident" or "electronic circuitry impairment":

a) Earth Movement

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

This exclusion applies regardless of whether any of the above, in Paragraphs **a)i.** through **a)iv.** is caused by an act of nature or is otherwise caused.

b) Water

- i. Flood, surface water, waves (including tidal water and tsunami), tides, tidal wave, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge);

- ii. Mudslide or mudflow;
- iii. By water or sewage which backs up through sewers or drains or which enters into and overflows or is otherwise discharged from a sewer, drain, sump pump, sump pump well, or any other system designed to remove subsurface water which is drained from the foundation area;
- iv. Water under the ground surface pressing on, flowing, or seeping through:
 - i) Foundations, walls, floors, or paved surfaces;
 - ii) Sidewalks or driveways;
 - iii) Basements, whether paved or not; or
 - iv) Doors, windows, or other openings.
- v. Water from a broken water main. However, this exclusion does not apply to water flowing or seeping from a broken water main where the break occurs on the premises described in the "Declarations".
- vi. Waterborne material carried or otherwise moved by any of the water referred to in Paragraphs **b)i.**, **b)iii.**, **b)iv.**, or **b)v.** or material carried or otherwise moved by mudslide or mudflow.

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

If electrical "covered equipment" requires drying out because of any of the above in Paragraphs **b)i.** through **b)iii.**, we will pay for the amount you actually expend to dry out such equipment, subject to the applicable Amount of Insurance and deductible for Section I – Buildings – Coverage 1 and Business Personal Property and Personal Property of Others – Coverage 2, whichever

applies. We will not pay more than the actual cash value, as described in **Section VIII – Commercial Property Conditions** and the **ErieSecure Business General Policy Conditions**, of the affected electrical "covered equipment". We will not pay to replace such equipment or for any other "loss", damage, or expense.

- c) Any "cyber event", except as specifically provided in **D.2.k. Resultant Loss from a Cyber Event**.
- d) Freeze by cold weather; and
- e) Discharge of molten material from equipment, including the heat from such discharged material.

- 2) We will not pay for an "accident" or "electronic circuitry impairment" caused by or resulting from collapse.

This does not apply if:

- a) The collapse occurs away from any covered premises and causes an electrical surge or other electrical disturbance;
- b) Such surge or disturbance is transmitted through utility service transmission lines to the covered location and results in an "accident" or "electronic circuitry impairment"; and
- c) The "loss", damage, or expense caused by such surge or disturbance is not covered elsewhere under the policy.

- 3) We will not pay for "loss", damage, or expense caused, directly or indirectly, by the following, whether or not caused by or resulting from an "accident" or "electronic circuitry impairment": Any mold, fungus, mildew, or yeast, including any spores or toxins created or produced by or emanating from such mold, fungus, mildew, or yeast. This includes, but is not limited to, costs arising from clean-up, remediation, containment, removal or abatement of such mold, fungus, mildew, yeast, spores, or toxins.

- b. The following exclusions are added, but only for purposes of coverage under this **Section IV – Additional Coverages – Equipment Break-down Coverage**:

- 1) We will not pay for "loss", damage, or expense caused directly or indirectly by any of the following, whether or not caused by

or resulting from an "accident" or "electronic circuitry impairment":

- a) Fire, including smoke from a fire.
 - b) Explosion of gas or unconsumed fuel within the furnace of any boiler or fired vessel or within the passages from that furnace to the atmosphere.
 - c) Any other explosion, except as specifically covered under this **Section IV – Additional Coverages – Equipment Breakdown Coverage**.
 - d) Vandalism, meaning a malicious act that causes damage or destruction. However, this exclusion does not apply to a "cyber event".
- 2) We will not pay for "loss", damage, or expense caused, directly or indirectly, by any condition or event listed in **a)** through **e)** below, without regard to whether such condition or event is normal and expected or unusual or unexpected. However, if a condition or event that is listed in **a)** through **e)** below results in an "accident" or "electronic circuitry impairment" and no other exclusion applies, we will pay only for the "loss", damage, or expense that is a direct result of and solely attributable to the "accident" or "electronic circuitry impairment".
- a) Any defect, error, or shortcoming in design or installation;
 - b) Any undercapacity, underperformance, failure to perform as expected, or failure to perform as designed;
 - c) Any defect, programming error, programming limitation, loss of "electronic data", loss of access, loss of use, loss of functionality, or other condition within or involving "electronic data" or "media" of any kind;
 - d) Contamination by a "hazardous substance";
 - e) Any condition, including, but not limited to, misalignment, miscalibration, or tripping offline, which can be corrected by:
 - i. Resetting, tightening, adjusting, or cleaning;
 - ii. Normal maintenance, including but not limited to replacing expendable parts, recharging batteries, or cleaning;
 - iii. Rebooting, reloading, or updating software or firmware; or
 - iv. Providing necessary power or supply.
- 3) We will not pay for an "accident" or "electronic circuitry impairment" caused by or resulting from:
- a) Lightning;
 - b) Windstorm or hail. However, this exclusion does not apply when:
 - i. "Covered equipment" located within a building or structure suffers an "accident" or "electronic circuitry impairment" that results from wind-blown rain, snow, sand, or dust; and
 - ii. The building or structure did not first sustain wind or hail damage to its roof or walls through which the rain, snow, sand, or dust entered.
 - c) Collision or any physical contact caused by or involving a "vehicle" or "mobile robot".
 - d) Smoke; aircraft or vehicles; riot or civil commotion; sprinkler leakage; or elevator collision;
 - e) Weight of snow, ice, or sleet.
 - f) Falling objects. However, this exclusion does not apply to:
 - i. Property located outside the walls of a structure or building; or
 - ii. "Loss" or damage to property located within a structure or building, unless a falling object first damages the roof or exterior wall of the structure or building.
 - g) A hydrostatic, pneumatic, or gas pressure test of any boiler or pressure vessel, or an electrical insulation breakdown test of any type of electrical equipment;
 - h) An electrical breakdown test of any type of electrical equipment; or
 - i) Any means, whether or not successful, intended to extinguish a fire. This includes, but is not limited to, the spraying of water.

j) Exclusions **3)a)** through **3)f)** do not apply if:

- i. The excluded cause of "loss" occurs away from any covered premises and causes an electrical surge or other electrical disturbance;
- ii. Such surge or disturbance is transmitted through utility service transmission lines to the covered location and results in an "accident" or "electronic circuitry impairment"; and
- iii. The "loss", damage, or expense caused by such surge or disturbance is not covered elsewhere under the policy.

4) Except as specifically provided under **D.2.b. Electronic Data Restoration** or **D.2.j. Resultant Damage to Animals**, we will not pay for damage, "loss", or expense caused directly or indirectly by the following, whether or not caused by or resulting from an "accident" or "electronic circuitry impairment":

- a) Physical loss or damage to "animals";
- b) Loss, interruption, or compromise of any research, test, or study involving "animals"; or
- c) Loss of income or extra expense resulting from **1)** or **2)** above.

5) We will not pay for loss or damage to any of the following, whether or not caused by an "accident" or "electronic circuitry impairment":

- a) Catalysts or molecular sieves;
- b) Artifacts, fossils, relics, or any rare items of cultural, historical, or scientific interest; or
- c) Biological samples or materials, including, but not limited to, organs, tissues, or blood.

4. Equipment Breakdown Coverage Conditions

a. The following conditions are in addition to the conditions in **Section VIII – Commercial Property Conditions** and the **ErieSecure Business General Policy Conditions**:

1) JURISDICTIONAL INSPECTION

If any property that is "covered equipment" under this **Section IV – Additional Coverages – Equipment Breakdown Coverage**

requires inspection to comply with state or municipal boiler and pressure vessel regulations, we agree to perform such inspection on your behalf. We do not warrant that conditions are safe or healthful.

2) SUSPENSION

Whenever "covered equipment" is found to be in, or exposure to, a dangerous condition, any of our representatives may immediately suspend the insurance against "loss" from an "accident" or "electronic circuitry impairment" to that "covered equipment". This can be done by delivering or mailing a written notice of suspension to:

- a) Your last known address; or
- b) The address where the "covered equipment" is located.

Once suspended in this way, your insurance can be reinstated only by an endorsement for that "covered equipment". If we suspend your insurance, you will get a pro rata refund of premium for that "covered equipment" for the period of suspension. But the suspension will be effective even if we have not yet made or offered a refund.

b. As respects this **Section IV – Additional Coverages – Equipment Breakdown Coverage** only, **Section VIII – Commercial Property Conditions – VALUATION** is deleted and replaced by the following:

VALUATION

We will determine the value of covered property as follows:

- 1) Except as specified otherwise, our payment for damaged covered property will be the smallest of:
 - a) The cost to repair the damaged property;
 - b) The cost to replace the damaged property on the same site; or
 - c) The amount you actually spend that is necessary to repair or replace the damaged property.
- 2) The amount of our payment will be based on the most cost effective means to replace the function, capacity, and remaining useful life of the damaged property. This may include the use of generic, used, or reconditioned parts, equipment, or property. This will not include costs to research or correct

defects, errors, or shortcomings in the design or installation of the covered property.

- 3) Except as described in Paragraph 6) below, you must pay the extra cost of replacing damaged property with property of a better kind or quality or of a different size or capacity.

4) **ENVIRONMENTAL, SAFETY, AND EFFICIENCY IMPROVEMENTS**

If "covered equipment" requires replacement due to an "accident" or "electronic circuitry impairment", we will pay your additional cost to replace with equipment that is better for the environment, safer for people, or more energy or water efficient than the equipment being replaced. However, we will not pay to increase the size or capacity of the equipment, and we will not pay more than 150% of what the cost would have been to replace with like kind and quality. This provision does not apply to any property to which actual cash value, as described in **Section VIII – Commercial Property Conditions – Valuation – Actual Cash Value**, applies and does not increase any of the applicable limits.

5) **CONSEQUENTIAL LOSS TO UN-DAMAGED STOCK**

Our payment for damaged covered property will include compensation for undamaged "stock" that loses market value or requires additional expense because of the damage to the covered property.

- 6) The following property will be valued on an actual cash value basis, as described in **Section VIII – Commercial Property Conditions** and the **ErieSecure Business General Policy Conditions**:

- a) Any property that does not currently serve a useful or necessary function for you; and
- b) Any covered property that you do not repair or replace within twenty-four (24) months after the date of the "accident" or "electronic circuitry impairment".

- 7) If any one of the following conditions is met, property held for sale by you will be valued at the sales price as if no "loss" or damage had occurred, less any discounts and expenses that otherwise would have applied:

- a) The property was manufactured by you;
- b) The sales price of the property is less than the replacement cost of the property; or
- c) You are unable to replace the property before its anticipated sale.

- 8) Except as specifically provided for under Electronic Data Restoration coverage, "electronic data" and "media" will be valued on the following basis:

- a) For mass-produced and commercially available software, at the replacement cost.
- b) For all other "electronic data" and "media", at the cost of blank "media" for reproducing the records. We will not pay for "electronic data" representing financial records based on the face value of such records.

5. **Equipment Breakdown Coverage Limits of Insurance**

Any payment under this Equipment Breakdown Coverage will not be increased if multiple insureds are shown in the "Declarations" or if you are comprised of more than one legal entity.

- a. The most we will pay for "loss", damage, or expense under this Section IV – Additional Coverages – Equipment Breakdown Coverage arising from any "one equipment breakdown" is the applicable Amount of Insurance shown in the "Declarations" for **Section I – Buildings – Coverage 1, Business Personal Property and Personal Property of Others – Coverage 2, and Income Protection – Coverage 3**.
- b. "Loss" arising from any "one equipment breakdown" may continue to be present or recur in a later policy period. In such a case, the most we will pay for all "loss", damage, or expense arising out of any "one equipment breakdown" is the coverage limit at the time of the "accident" or "electronic circuitry impairment".
- c. If two or more coverage limits apply to the same "loss" or portion of a "loss", we will pay only the smallest of the applicable limits for that loss or portion of that "loss".

Coverage provided under this **Section IV – Additional Coverages – Equipment Breakdown Coverage** does not provide an additional Amount of Insurance.

6. **Equipment Breakdown Coverage Definitions**

The following definitions are added to **Section IX – Definitions**, but only with respect to **Section IV – Additional Coverages – Equipment Breakdown Coverage**:

- "Animal" means a creature of the kingdom Animalia. This includes, but is not limited to, amphibians, birds, fish, insects, mammals, reptiles, and worms.
- "Cloud or outsourced computing services" means professional, on-demand, self-service data storage, or data processing services provided through the Internet or over telecommunication lines. This includes services known as IaaS (infrastructure as a service), PaaS (platform as a service), SaaS (software as a service), and NaaS (network as a service). This includes business models known as public clouds, community clouds, and hybrid clouds. "Cloud or outsourced computing services" include private clouds if such services are owned and operated by a third party.
- "Hazardous substance" means any substance that is dangerous or harmful to health or has been declared by a governmental agency to be dangerous or harmful to health.
- "Mobile robot"
 1. "Mobile robot" means "covered equipment" that is:
 - a. Able to move about under its own power; and
 - b. Used solely within a structure or building.
 2. "Mobile robot" does not mean any equipment that is:
 - a. Directed or steered by a human driver who is on or in such equipment;
 - b. Used to transport people;
 - c. Used in or under water or other liquid;
 - d. Used within tanks or piping; or
 - e. An unmanned aircraft or drone or other airborne device.
- "One equipment breakdown" means all "accidents" and "electronic circuitry impairments" occurring at the same time from the same event. If an "accident" or "electronic circuitry impairment" causes other "accidents" or "electronic circuitry impairments", all will be considered "one equipment breakdown".

- "Vehicle" means any machine or apparatus that is used for transportation or is able to move about under its own power, even if it is solely used within a structure or building. "Vehicle" includes, but is not limited to, any car, truck, bus, trailer, train, aircraft, drone, watercraft, forklift, bull dozer, tractor, or harvester.

None of the following is a "vehicle":

1. Any property at a covered location that, for at least 24 consecutive hours, has been stationary, installed, and receiving electrical power from a power source that is external to such property. However, a battery propelled machine or apparatus that requires periodic recharging is considered a "vehicle" and not subject to this exception.
2. Any "mobile robot".

SECTION V – DEDUCTIBLES

1. **Section I – Building(s) – Coverage 1, Business Personal Property and Personal Property of Others – Coverage 2, and Section VI – Extensions of Coverage** – We will pay the amount of "loss" to property in any one occurrence which is in excess of the property deductible amount shown in the "Declarations," unless otherwise stated in the Extensions of Coverage.
2. Glass covered under **Section 1 – Building(s) – Coverage 1 or Business Personal Property and Personal Property of Others – Coverage 2** – We will pay the amount of "loss" to glass in any one occurrence which is in excess of the \$200 deductible.
3. Signs covered under **Section I – Building(s) – Coverage 1 or Business Personal Property and Personal Property of Others – Coverage 2** – We will pay the amount of "loss" to signs in any one occurrence which is in excess of the \$200 deductible.
4. When the occurrence involves "loss" to more than one building (or building and business personal property) and separate amounts of insurance apply or blanket amounts of insurance apply, each such "loss" will not be combined in determining the application of the property deductible. The property deductible will be applied only once per occurrence.
5. Production or Process Machinery
 - a. We will pay the amount of "loss" to "production or process machinery" caused by an "accident" or "electronic circuitry impairment" in any one occurrence which is in excess of:
 - 1) \$1,000;
 - 2) The deductible amount shown in the "Declarations" for Production or Process Machinery; or

- 3) The property deductible amount shown in the "Declarations" for **Section I – Building(s) – Coverage 1 and Business Personal Property and Personal Property of Others – Coverage 2**;

whichever amount is greater.

- b. **Section I – Income Protection – Coverage 3** – We will pay the amount of "income" and/or "rental income" loss you sustain resulting directly from "loss" to "production or process machinery" caused by an "accident" or "electronic circuitry impairment" which is in excess of one day multiplied by the "average daily value".

Should the policy deductible apply to the same "loss", only the deductibles for "production or process machinery" plus income protection or the policy deductible, whichever is greater amount, shall be used.

6. **Section I – Income Protection – Coverage 3** – except as provided elsewhere in this policy, no deductible applies.

SECTION VI – EXTENSIONS OF COVERAGE

A. Extensions of Coverage

We will pay the following "losses" at your option. Payments under these Extensions of Coverage are not an additional Amount of Insurance and will not increase the total Amount of Insurance available for the coverage involved.

1. **Fences, Walks, Unattached Outbuildings, Tennis Courts, and Inground Swimming Pools – Section I – Building(s) – Coverage 1.** We will cover "loss" to fences, walks, unattached outbuildings, tennis courts, and inground swimming pools on the premises described in the "Declarations" caused by a peril insured against. We will pay up to 10% of the **Building(s) – Coverage 1** Amount of Insurance but not to exceed \$25,000 for any one "loss". If you are a tenant and no amount of insurance is shown for **Building(s) – Coverage 1**, we will pay up to 10% of the **Business Personal Property and Personal Property of Others – Coverage 2** Amount of Insurance (minimum of \$1,000) but not to exceed \$25,000 for any one "loss".

Unattached outbuildings include garages, storage areas, and tool sheds but do not include those buildings used for dwelling purposes or in connection with manufacturing, servicing, or farming operations.

If specific insurance is carried on any item covered by this extension, then this extension does not apply to that item.

This extension of coverage applies to each building described in the "Declarations".

The property deductible applies to this extension.

2. **Moving Clause.** When you move, coverage under **Section I – Business Personal Property and Personal Property of Others – Coverage 2** for "loss" to Business Personal Property and Personal Property of Others will apply for sixty (60) days while in transit and at each location. The Amount of Insurance applying at each location will be the proportion that the value in each location bears to the total value of **Section I – Business Personal Property and Personal Property of Others – Coverage 2** covered at the original location. After the completion of your move, the coverage will apply at the new location only.

The property deductible applies to this extension.

3. **Refrigerated Property.** **Section I – Business Personal Property and Personal Property of Others – Coverage 2** covers "loss" to the contents of refrigeration equipment on the premises described in the "Declarations" from power failure. "Loss" caused by or resulting from an "accident" or "electronic circuitry impairment" is not covered.

This extension of coverage applies to each building described in the "Declarations".

The property deductible applies to this extension.

4. **Siding and/or Roofing Restoration.** We will cover reimbursement for cost to replace all of the undamaged vinyl or aluminum siding (including soffit and fascia) and/or composition shingle roofing of the building with materials of like kind and quality that are substantially similar to those materials that were damaged by a peril insured against.

This coverage applies only if the same siding and/or roofing material is no longer available for the damaged portion of the building. This coverage does not apply to mismatches caused by weathering, fading, oxidizing, or wear and tear.

This coverage for siding does not apply to wooden siding or shingles. (This does not apply in Kentucky and Ohio).

This extension of coverage applies to each building described in the "Declarations". If damage occurs from a peril insured against to the building, we will not pay to replace the siding and/or roofing of the undamaged building(s) in order to match newly replaced siding and/or roofing of the damaged building.

Hail losses must be reported within one year from the date the hail loss occurred.

The property deductible applies to this extension. Damage from a peril insured against must exceed the property deductible before this coverage applies.

5. **Temperature Change. Section I – Business Personal Property and Personal Property of Others – Coverage 2** covers "loss" resulting from temperature or humidity change. There must first be damage from a peril insured against to the premises described in the "Declarations". "Loss" caused by or resulting from riot, civil commotion, an "accident", or "electronic circuitry impairment" is not covered.

This extension of coverage applies to each building described in the "Declarations".

The property deductible applies to this extension.

6. **Trees, Shrubs, Lawns, and Plants. Section I – Building(s) – Coverages 1 and Section I – Business Personal Property and Personal Property of Others – Coverage 2.** We will cover "loss" to trees, shrubs, lawns, and plants (except vegetated roofs) on the premises described in the "Declarations" caused by fire; lightning; explosion; riot or civil commotion; vehicles; aircraft; smoke; falling objects; sonic boom; "sinkhole collapse"; volcanic action; or collapse caused by any of the perils specified in this paragraph.

If trees, shrubs, and plants are inside buildings on the premises described in the "Declarations", we will also cover "loss" caused by windstorm; hail; weight of snow, ice, or sleet; vandalism or malicious mischief; or temperature change. There must first be damage from a peril insured against to the premises described in the "Declarations".

We will not be liable for more than \$1,000 for any one tree, shrub, or plant, including expenses for removing debris, or \$10,000 for any one "loss", unless trees, shrubs, or plants are held for sale inside buildings, or trees, shrubs, or plants are used for decorative purpose inside the building, in which case the **Section I – Business Personal Property and Personal Property of Others – Coverage 2** Amount of Insurance applies. We will not be liable for more than \$2,500 for any one "loss" to lawns.

This extension includes expenses for the removal of debris of trees, shrubs, and plants from the premises described in the "Declarations" caused by a peril insured against which are the property of others. If you are a tenant, we will not cover removing debris of trees, shrubs, and plants owned by the landlord at the premises described in the "Declarations."

There is no coverage under this policy for trees, shrubs, lawns, and plants held for sale that are grown outside of buildings.

This extension of coverage applies to each building described in the "Declarations".

The property deductible applies to this extension.

B. Extensions of Coverage

Except as specified otherwise, payments under the following Extensions of Coverage are an additional Amount of Insurance and will increase the total Amount of Insurance available for the coverage involved.

1. **Accounts Receivable.** This policy covers damage to records of accounts receivable up to \$25,000 for any one "loss" caused by a peril insured against. It covers:
 - a. All sums due to the insured from customers, provided the insured is unable to collect such sums as the direct result of "loss" to records of accounts receivable;
 - b. Interest charges on any loan to offset impaired collections pending repayments of such sums made uncollectible by such "loss";
 - c. Collection expense in excess of normal collection cost which is made necessary because of such "loss"; and
 - d. Other expenses, when reasonably incurred by the insured in re-establishing records of accounts receivable following such "loss".

A \$200 deductible applies to this extension.

2. **Arson and Theft Reward.** We will pay up to \$10,000 as a reward to any individual or group for information which results in the arrest and conviction of any person committing an act of arson resulting in damage to covered property or in the arrest and conviction of any person who commits theft of covered property.

The property deductible does not apply to this extension.

3. **Building Ordinance or Law Coverage**

A. Application of Coverage

The building ordinance or law coverage applies to **B. Coverage for the Value of the Undamaged Part of the Building** and **C. Coverage for Increased Cost of Construction** for any building covered by this policy at the premises described in the "Declarations" or for tenant's improvements and betterments as described under **Section I – Business Personal Property and Personal Property of Others – Coverage 2** at the premises described in the "Declarations" only if Paragraphs A.1. and A.2. below are satisfied, an Amount of Insurance is shown on the "Declarations" for Building(s) or for tenant's improvements or betterments and an Amount of Insurance is shown in the "Declarations" for **Section I – Business Personal Property and Personal Property of Others – Coverage 2**:

1. The ordinance or law:
 - a. Regulates the demolition, construction, or repair of buildings, or establishes zoning or land use requirements at the premises described in the "Declarations"; and
 - b. Is in force at the time of "loss" or the ordinance or law is promulgated or revised after the "loss" but prior to commencement of, reconstruction, or repair and provided that such ordinance or law requires compliance as a condition precedent to obtaining a building permit or certificate of occupancy;

but coverage applies only in response to the minimum requirements of the ordinance or law. "Losses" and costs incurred in complying with recommended actions or standards that exceed actual requirements are not covered.

2. The building sustains:
 - a. Direct physical damage caused by a peril insured against under this policy and such damage results in enforcement of or compliance with the ordinance or law; or
 - b. Both direct physical damage that is covered under this policy and direct physical damage that is caused by a peril not insured against under this policy, and the building damage in its entirety results in enforcement of or compliance with the ordinance or law;

but if the building sustains direct physical damage that is caused by a peril not insured against under this policy and such damage is the subject of the ordinance or law, then there is no coverage even if the building has also sustained direct physical damage caused by a peril insured against.

This extension of coverage applies to each building described in the "Declarations".

The property deductible applies to this extension.

B. Coverage for the Value of the Undamaged Part of the Building

1. Coverage Agreement

If the building sustains direct damage caused by a peril insured against, we will pay for the value of the undamaged part of the building that is caused by enforcement

of or compliance with any ordinance or law regulating the construction or repair of building(s) that:

- a. Requires the demolition of the undamaged parts of the building;
- b. Regulates the construction or repair of the building, or establishes zoning or land use requirements at the premises described in the "Declarations"; and
- c. Is in force at the time of "loss" or the ordinance or law is promulgated or revised after the "loss" but prior to commencement, reconstruction, or repair and provided that such ordinance or law requires compliance as a condition precedent to obtaining a building permit or certificate of occupancy.

Coverage for the Value of the Undamaged Part of the Building is not an additional Amount of Insurance. Payment is included within the Amount of Insurance for the covered building(s) described in the "Declarations".

2. Loss Payment – Value of the Undamaged Part of the Building

We will pay for the value of the undamaged portion of the building as a result of any ordinance or law regulating the construction, use, or repair of building(s) as follows:

- a. We will pay the smallest of the following if the covered building is not repaired or rebuilt:
 - 1) The actual cash value of the undamaged part of the building;
 - 2) The Amount of Insurance shown in the "Declarations" for the building described in the "Declarations" or for tenant's improvements and betterments the Amount of Insurance shown in the "Declarations" for Business Personal Property and Personal Property of Others;
 - 3) If this policy is endorsed to cover Earthquake and/or Flood as a Covered Cause of Loss, the Amount of Insurance applicable to the building in the event of damage by such Covered Cause of Loss may be lower than the Amount of Insurance that otherwise would apply; or

- 4) The difference between the Amount of Insurance on the insured building at the time of "loss" or damage and the amount paid for "loss" to the damaged or destroyed portion of the insured building.
- b. We will pay the smallest of the following if the covered building is being repaired or replaced on the same premises or another premises:
 - 1) The actual cash value for the undamaged part of the building, if the insured building is covered on an actual cash value basis;
 - 2) The replacement cost for the undamaged part of the building if the insured building is covered on a replacement cost basis;
 - 3) The Amount of Insurance shown in the "Declarations" for the building described in the "Declarations" or for tenant's improvements and betterments the Amount of Insurance shown in the "Declarations" for Business Personal Property and Personal Property of Others;
 - 4) If this policy is endorsed to cover Earthquake and/or Flood as a Covered Cause of Loss, the Amount of Insurance applicable to the building in the event of damage by such Covered Cause of Loss may be lower than the Amount of Insurance that otherwise would apply; or
 - 5) The difference between the Amount of Insurance on the insured building at the time of "loss" or damage and the amount paid for "loss" to the damaged or destroyed portion of the insured building.

C. Coverage for Increased Cost of Construction

1. Coverage Agreement

If the building(s) or tenant's improvements and betterments sustain direct physical damage caused by a peril insured against, we will pay up to \$25,000 for the increased cost to:

- a. Repair, replace, or reconstruct the damaged portions of the building or

tenant's improvements and betterments; or

- b. Reconstruct or remodel undamaged portions of the building or tenant's improvements and betterments whether or not demolition is required;

that is caused by enforcement of or compliance with any ordinance or law regulating the construction, use, or repair of building(s). If the building(s) is repaired or replaced, it must be intended for the same use as the current building, unless otherwise required by an ordinance or law. We will not pay for the increased cost of construction if the building is not repaired, replaced, or remodeled.

When a building(s) described in the "Declarations" or tenant's improvements and betterments as described under Business Personal Property and Personal Property of Others at the premises described in the "Declarations" is damaged or destroyed and increased cost of construction applies to that building in accordance with **C.1.a.** above, coverage for the increased cost of construction also applies to repairs or reconstruction of the following, subject to the same conditions stated in **C.1.a.**:

- c. The cost of excavations, grading, backfilling, and filling;
- d. Foundation of the building;
- e. Pilings; and
- f. Underground pipes, flues, and drains.

Property listed in **C.1.c** through **C.1.f** are removed from Property Not Covered, but only with respect to coverage described in Paragraph **C.1.a.**

2. Loss Payment – Increased Cost of Construction

The most we will pay is \$25,000 for the increased cost of construction that results from any building ordinance or law. Payment for the increased cost of construction is an additional Amount of Insurance.

D. Income Protection

1. Coverage Agreement

We will cover your loss of "income" and/or "rental income" you sustain due to the partial or total "interruption of business" resulting directly from "loss" to the building described in the "Declarations" caused by

the enforcement of any ordinance or law regulating the construction, use, or repair of buildings.

2. **Loss Payment – Income Protection**

We will pay up to the Amount of Insurance shown in the "Declarations" for **Income Protection – Coverage 3** for the premises described in the "Declarations".

No deductible applies.

E. **Building Ordinance or Law – No Coverage**

We will not pay for "loss" due to any ordinance or law that:

1. You were required to comply with before the "loss", even if the building was undamaged; and
2. You failed to comply with the ordinance or law.

We will not pay any costs associated with the enforcement of or compliance with an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to or assess the effects of "pollutants", "fungus", wet or dry rot, or bacteria.

Also, we will not pay any costs associated with the enforcement of or compliance with an ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling, or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread, or any activity of "fungus", wet or dry rot, or bacteria.

We will not pay under this extension of coverage for any "loss" in value or any cost incurred due to an ordinance or law that you were required to comply with before the time of the current "loss", even in the absence of building damage, if you failed to comply.

4. **Check, Credit, or Debit Card Forgery or Alteration.** We will pay up to \$5,000 for any one "loss" resulting directly from:

- a. Forgery or alteration of credit or debit cards issued to you or to any employee for business purposes; and
- b. Forgery or alteration of any checks, drafts, promissory notes, or similar written promises, orders, or directions to pay a certain sum in money that are:
 - 1) Made or drawn by or drawn upon you;

- 2) Made or drawn by one acting as your Agent; or

- 3) Purported to have been so made or drawn.

We will not pay for "loss" caused by dishonest or criminal acts (including theft) committed by you, any of your members of a limited liability company, or any of your employees (including temporary or leased employees), directors, trustees, or authorized representatives:

- a. Acting alone or in collusion with other persons; or
- b. While performing services for you or otherwise.

We will not pay for any "loss" arising from forgery or alteration of a credit or debit card if you have not complied fully with the provisions, conditions, or other terms under which the card was issued.

All "losses" committed by any person, whether acting alone or in collusion with others, are considered one occurrence which is subject to the \$5,000 Amount of Insurance.

If you are sued for refusing to pay any covered instrument on the basis that it has been forged or altered and you have our written consent to defend against the suit, we will also pay for any reasonable legal expense that you incur and pay in that defense. The amount we will pay is in addition to the Amount of Insurance applicable to this extension. The deductible does not apply to legal expenses.

You must include with your proof of loss any instrument involved in that "loss", or, if that is not possible, an affidavit setting forth the amount and cause of loss.

Electrical and Mechanical Signatures. We will treat signatures that are produced or reproduced electronically, mechanically, or by other means the same as handwritten signatures.

"Forgery" means, for this coverage only, the signing of the name of another person or organization with intent to deceive; it does not mean a signature which consists in whole or in part of one's own name signed with or without authority, in any capacity or for any purpose.

"Occurrence" means for this coverage only, all loss caused by any person or in which that person is involved, whether the loss involves one or more instruments.

This extension of coverage applies anywhere in the world.

A \$200 deductible applies to this extension.

5. **Income Protection for Dependent Properties.** We will pay up to \$25,000 for the loss of "income" or "rental income" you sustain due to partial or total "interruption of business" resulting directly from "loss" or damage to "dependent properties", caused by a peril insured against.

However, coverage for "income" and/or "rental income" for "dependent properties" does not apply when the only "loss" to "dependent properties" is "loss" or damage to "electronic data", including destruction or corruption of "electronic data". If the "dependent property" sustains "loss" or damage to "electronic data" and other property, this coverage will not continue once the other property is repaired, rebuilt, or replaced.

We will reduce the amount of your "income" or "rental income" loss, other than "extra expense", to the extent you can resume normal operations by using an available:

- a. Source of materials; or
- b. Outlet for your products.

"Dependent property(ies)" means, for this coverage only, premises operated by others whom you depend on in any way for continuation of your normal business operations. The "dependent properties" are:

- a. Contributing Locations which mean those premises you depend on as a source of materials or services that you need for your operations. Services does not include water, communication, power supply, or waste water removal properties;
- b. Recipient Locations which mean those premises you depend on as a customer for your products or services;
- c. Manufacturing Locations which mean those premises you depend on to manufacture products for your customers under contract or sale; or
- d. Leader Locations which mean those premises you depend on to attract customers to your business.

"Dependent properties" do not include roads, bridges, tunnels, waterways, airfields, pipelines, or any other similar areas or structures.

"Interruption of business" means for Income Protection for Dependent Properties coverage only, the period of time that your business is suspended and it:

- a. Begins with the date of direct "loss" or damage to the "dependent property" caused by a peril insured against; and

- b. Ends on the date when the "dependent property" should be repaired, rebuilt, or replaced with reasonable speed and similar quality.

"Interruption of business" for Income Protection for Dependent Properties coverage does not include any increased period required due to the enforcement of or compliance with any ordinance or law that:

- a. Regulates the construction, use, or repair, or requires the tearing down of any property; or
- b. Requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to or assess the effects of "pollutants".

No deductible applies to this extension.

6. **Counterfeit Money.** We will pay up to \$1,000 per workday from the acceptance in good faith of counterfeit money. Workday means a day on which your operations are usually performed.

The deductible for this extension of coverage is \$100.

7. **Debris Removal.** We will pay the cost of removal of debris to covered property on the premises described in the "Declarations" caused by a peril insured against. This does not apply to any increase of "loss" resulting from ordinances or laws regulating construction or repair of buildings. We will pay up to 5% of the total Amount of Insurance for Coverages 1 and 2 plus \$25,000 for debris removal expense.

This extension does not cover the cost to:

- a. Remove debris of your property that is not insured under this policy, or property in your possession that is not covered property **under Section I – Building(s) – Coverage 1 or Business Personal Property and Personal Property of Others – Coverage 2;**
- b. Remove debris of property owned by or leased to the landlord of the building where your described premises are located, unless you have a contractual responsibility to insure such property and it is insured under this policy;
- c. Remove any property that is property not covered under **Section I – Building(s) – Coverage 1 or Business Personal Property and Personal Property of Others – Coverage 2;**
- d. Remove property of others of a type that would not be covered property under **Section I – Building(s) – Coverage 1 or Business Personal Property and Personal Property of Others – Coverage 2;** or

- e. Extract "pollutants" from land or water, or to remove, restore, or replace polluted land or water.

This extension of coverage applies to each building described in the "Declarations".

The property deductible applies to this extension.

8. **Employee Dishonesty.** We will pay up to \$10,000 for loss to "money", "securities", or written instruments required in conjunction with any credit or debit card issued to you or any employee for business purposes or Business Personal Property and Personal Property of Others resulting from dishonest acts committed by any of your "employees", whether identified or not, acting alone or in collusion with other persons (except you or your partner(s)) with the intent to:

- a. Cause you to sustain loss; and
- b. Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions, or other employee benefits earned in the normal course of employment) for:
 - 1) Any "employee"; or
 - 2) Any other person or organization.

This extension is subject to the following:

- a. For any loss, our payment shall not exceed the replacement cost of Business Personal Property and Personal Property of Others at the time of loss, except the cost of "securities" may be determined by the market value at the time of settlement;
- b. All loss caused by, or involving, one or more "employees", whether the result of a single act or a series of acts, is considered one occurrence;
- c. We will pay for loss you sustain through acts committed or events occurring during the policy period and if loss is discovered during the policy period or is discovered within one year from the end of the policy period;
- d. Our payment is not increased regardless of the number of people we protect;
- e. Regardless of the number of years our policy is in force, the Amount of Insurance shall not be cumulative from year to year;
- f. If you sustained a loss during the policy period shown in the "Declarations" resulting directly from an "occurrence" taking place:
 - 1) Partly during the policy period shown in the "Declarations"; and

- 2) Partly during the policy period(s) of any prior renewals;

we will first settle the amount of loss that you sustained during this policy period. We will then settle the remaining amount of loss that you sustained during the policy period(s) of the prior renewals.

- g. If you sustained a loss during the period of any prior insurance that you could have recovered under your prior insurance, except that the time to discover the loss had expired, we will pay the loss under this extension of coverage, provided:

- 1) This policy became effective at the time of cancellation or termination of your prior insurance; and
- 2) The loss would have been covered by this insurance had it been in effect when the act or events causing the loss were committed or occurred.

We will pay up to the Amount of Insurance for Employee Dishonesty or the Amount of Insurance under your prior insurance, whichever is less.

The loss under this part g. is not an additional amount of insurance and will not increase the total Amount of Insurance for Employee Dishonesty.

We do not cover:

- a. Loss caused by any dishonest or criminal act committed by you, or any of your members of a limited liability company, or any of your partners, whether acting alone or in collusion with other persons;
- b. Loss or that part of any loss, the proof of which as to its existence or amount is dependent upon:
 - 1) An inventory computation; or
 - 2) A profit and loss computation.
- c. Loss that is an indirect result of any act or occurrence covered by this policy including, but not limited to, loss caused by:
 - 1) Your inability to realize income that you would have realized had there been no loss of, or loss from damage to covered property;
 - 2) Payment of damages of any type for which you are legally liable. We will pay compensatory damages arising directly from a loss covered by this policy;
 - 3) Payment of costs, fees, or other expenses you incur in establishing either the

- existence or the amount of loss under this policy; or
- 4) Payment of expenses related to any legal action.
- d. Any "employee" immediately upon discovery by:
- 1) You; or
 - 2) Any of your partners, officers, directors, or members of a limited liability company not in collusion with the "employee";
- of any dishonest act committed by that "employee" before or after being hired by you.
- e. Loss caused by any "employee" for whom similar prior insurance has been cancelled and not reinstated since the last such cancellation;
 - f. Loss resulting directly or indirectly from trading whether in your name or in a genuine or fictitious account;
 - g. Loss resulting from fraudulent or dishonest signing, issuing, cancelling, or failing to cancel a warehouse receipt or any papers connected with it; or
 - h. Loss arising from any credit or debit card if you have not complied fully with the provisions, conditions, or other terms under which the card was issued.

Value of any loss for this coverage only shall be determined as follows:

a. **Money**

Loss of "money" will be valued only up to and including its face value. We will, at your option, pay for loss of "money" issued by any country other than the United States of America:

- 1) At face value of the "money" issued by that country; or
- 2) In the United States of America dollar equivalent, determined by the rate of exchange published in The Wall Street Journal on the day the loss was "discovered".

b. **Securities**

Loss of "securities" will be valued only up to and including their value at the close of business on the day the loss was "discovered". We may, at our option:

- 1) Pay the market value of such "securities" or replace them in kind, in which event you must assign to us all your rights, title, and interest in and to those "securities"; or

- 2) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the "securities". However, we will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:
 - a) Market value of the "securities" at the close of business on the day the loss was "discovered"; or
 - b) Amount of Insurance applicable to the "securities".

"Employee" means for this coverage only:

- a. Any natural person:
 - 1) While in your service (and for thirty (30) days after termination of service);
 - 2) Whom you compensate directly by salary, wages, or commissions; and
 - 3) Whom you have the right to direct and control while performing services for you.
- b. Any natural person employed by an employment contractor while that person is subject to your direction and control and performing services for you excluding, however, any such person while having care, custody, and control of property outside the premises described in the "Declarations".
- c. Any natural person who is leased to you under a written agreement between you and a labor leasing firm to perform duties related to the conduct of your business.
- d. Any natural person who is a former "employee", director, partner, member of a limited liability company, representative, or trustee retained as a consultant while performing services for you.
- e. Any natural person who is a guest student or intern pursuing studies or duties, excluding however, any such person while having care, custody, or control of covered property outside the premises described in the "Declarations".
- f. Any natural person of a property management company and the property management company while acting on the insured's behalf.
- g. A spouse or child over eighteen (18) years old of an "employee" who is a property manager, superintendent, or janitor and who resides with such "employee". Each such family is considered to be, collectively, one "employee" for the purpose of this coverage.

- h. Any natural person who is acquired as an "employee" through consolidation or merger.
- i. Any natural person, whether or not compensated, while performing services for you as the chairman or a member of any committee.
- j. Any natural person who is your manager of a limited liability company, director, or trustee while performing acts within the scope of the usual duties of an "employee".
- k. Any natural person who is a director or trustee while acting as a member of any of your elected or appointed committees to perform on your behalf specific, as distinguished from general, directorial acts.
- l. Any noncompensated natural person:
 - 1) While performing services for you that are usual to the duties of an "employee", except a fund solicitor; or
 - 2) While acting as a fund solicitor during fund raising campaigns.

"Employee" does not mean any agent, broker, factor, commission merchant, consignee, independent contractor, or representative of the same general character.

"Occurrence" means for this coverage only:

- a. An individual act;
- b. The combined total of all separate acts whether or not related; or
- c. A series of acts whether or not related;

committed by an "employee" acting alone or in collusion with other persons, during the policy period shown in the "Declarations", except as otherwise described in this extension of coverage.

A \$200 deductible applies to this extension.

- 9. **Expenses for Loss Adjustment.** We will pay up to \$5,000 for expenses involved in the preparation of data, inventories, and appraisals for the adjustment of "loss". This does not include expenses incurred in using a public adjuster.

This extension of coverage applies to each building described in the "Declarations" for adjustment of "loss".

The property deductible does not apply to this extension.

- 10. **Expenses for Security.** We will pay up to \$2,500 for expenses incurred for security after a covered "loss" to protect the covered property from further damage.

This extension of coverage applies to each building described in the "Declarations".

The property deductible does not apply to this extension.

- 11. **Fine Arts.** We will pay up to \$25,000 for your fine arts for "loss" caused by a peril insured against on the premises described in the "Declarations". Fine arts mean property that is rare or has historical value, such as paintings, etchings, drawings, rare books, tapestries, or stained glass.

We will not cover fine arts that are on display at fairgrounds or at a national or international exposition.

We do not cover "loss" caused by a process to repair, retouch, restore, adjust, service, or maintain your fine arts. If a fire or explosion results, we do cover the "loss" caused by the fire or explosion.

This extension of coverage applies to each building described in the "Declarations".

The property deductible applies to this extension.

- 12. **Fire Department Service Charges.** We will pay reasonable charges made by a fire department for services rendered as a result of an insured "loss".

This extension of coverage applies to each building described in the "Declarations".

The property deductible does not apply to this extension.

- 13. **Fire Extinguisher Recharge.** We will pay expenses incurred to recharge portable fire extinguishers after they are used to fight a fire.

This extension of coverage applies to each building described in the "Declarations".

The property deductible does not apply to this extension.

- 14. **Income Protection – Off-Premises Utility Properties Failure.** We will pay up to \$25,000 for your loss of "income", "rental income", and "extra expense" you sustain due to partial or total "interruption of business" resulting from the interruption of service to the premises described in the "Declarations".

The "interruption of business" must result directly from "loss" to the following property, not on the premises described in the "Declarations" from a peril insured against:

- a. Communication Supply Property, meaning property supplying communication services, including telephone, radio, microwave, or television services, to the premises described in the "Declarations", such as:

- 1) Communication transmission lines (including fiber optic transmission lines);
 - 2) Coaxial cables; and
 - 3) Microwave radio relay except satellites.
- b. Power Supply Property, meaning the following types of property supplying electricity, steam, or gas to the premises described in the "Declarations":
- 1) Utility generating plants;
 - 2) Switching stations;
 - 3) Substations;
 - 4) Transformers; and
 - 5) Transmission lines.
- c. Water Supply Property, meaning the following types of property supplying water to the premises described in the "Declarations":
- 1) Pumping stations; and
 - 2) Water mains.
- d. Wastewater Removal Property, meaning a utility system for removing wastewater and sewage from the premises described in the "Declarations", other than a system designed primarily for draining storm water. The wastewater removal property includes sewer mains, pumping stations, and similar equipment for moving the effluent to a holding treatment or disposal facility, and includes such facilities.

Coverage under this policy does not apply to interruption in service caused by or resulting from a discharge of water or sewage due to heavy rainfall or flooding.

We will only pay for loss of "income", "rental income", and "extra expense" sustained by you after the first twenty-four (24) hours following "loss" to off-premises communication supply property, power supply property, water supply property, or wastewater removal property.

Transmission lines include all lines which serve to transmit communication service or power, including lines which may be identified as distribution lines.

This extension of coverage applies to each building described in the "Declarations".

15. **Key Replacement.** If keys to your building(s), "automobiles", or boats are stolen during a theft, we will pay at your request, up to \$5,000 to replace the keys and locks to the doors of your premises described in the "Declarations" as well as keys and locks to your "automobiles" or boats.

This extension of coverage applies to each building described in the "Declarations".

A \$200 deductible applies to this extension.

16. **Money and Securities.** We will pay up to \$10,000 for any one "loss" to "money" or "securities" while in or on the premises described in the "Declarations," within a bank or savings institution, or in the care and custody of an armored motor vehicle company which is caused by a peril insured against.

We will pay up to \$10,000 for any one "loss" to "money" or "securities" while being conveyed by the insured or by an authorized employee, which is caused by a peril insured against.

We will pay up to \$10,000 for any one "loss" to "money" or "securities" if the "loss" occurs inside the home of the insured or an authorized employee and is caused by a peril insured against.

We will pay up to \$10,000 for any one "loss" for the destruction of "money" and "securities" within the premises described in the "Declarations", which is caused by a peril insured against.

We do not cover:

- a. "Loss" to "money" and "securities" resulting from unexplained or mysterious disappearance;
- b. "Loss" resulting from accounting or arithmetical errors or omissions;
- c. "Loss" of "money" and "securities" contained in any "money" operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device;
- d. An indirect result of any act or occurrence covered by this extension of coverage, including, but not limited to "loss" caused by:
 - 1) Your ability to realize income that you would have realized had there been no "loss" of "money" and "securities";
 - 2) Payment of damages of any type for which you are legally liable. We will pay compensatory damages arising from a "loss" covered by this policy; or
 - 3) Payment of costs, fees, or other expenses you incur in establishing either the existence or the amount of "loss" under this extension of coverage.

This extension of coverage applies to each building described in the "Declarations".

A \$500 deductible applies to this extension.

17. **Motor Truck Cargo.** We will pay up to \$25,000 for direct physical "loss" of or damage to your lawful

goods and merchandise and lawful goods and merchandise of others in your care, custody, or control caused by or resulting from a peril insured against.

We will pay sums that you become legally obligated to pay for direct physical "loss" of or damage to covered property in your care, custody, or control and that you become legally obligated to pay as a common or contract carrier under a bill of lading, contract of carriage, or shipping receipt that is issued by you or that is issued on your behalf.

We will also pay up to \$2,500 for freight charges that are due which become uncollectable because of direct physical "loss" of or damage to covered property caused by a peril insured against. This will not increase the amount of insurance under this extension of coverage.

This coverage applies while:

- a. In or on an insured vehicle;
- b. In transit, including loading and unloading;
- c. At the intended destination for up to seventy-two (72) hours following the arrival of the property; and
- d. At a "terminal" location, up to thirty (30) days following the arrival of the property at a "terminal".

"Terminal" means a building where covered property is transferred between vehicles or between vehicles and other transporting conveyances.

This coverage applies only while the property is away from the premises described in the "Declarations" but only while in the United States of America, its territories or possessions, Puerto Rico, or Canada.

We do not cover:

- a. Property of others for which no bill of lading or shipping receipt has been issued;
- b. Antiques, paintings, statuary, and other objects of art;
- c. Contraband or property in the course of illegal transportation or trade;
- d. Jewelry, precious or semi-precious stones, gold, silver, platinum, or other precious metals or alloys;
- e. Live animals including cattle or poultry unless death is caused or made necessary by fire; lightning; windstorm; hail; collision, overturn, or derailment of a transporting conveyance; collapse of a bridge or culvert; and theft;

- f. Accounts, bills, currency, deeds, stamps of any kind, letters of credit, or other evidences of debt, lottery tickets not held for sale, "money", notes, and "securities";
- g. Property while in the custody of any other carrier if your rights of subrogation against such other carriers have been waived or otherwise made unenforceable;
- h. Transporting vehicles including tarpaulins;
- i. Property of others in due course of transit that is held in storage unless storage is specified in a bill of lading, shipping receipt, or contract of carriage;
- j. Valuable papers and records;
- k. Aircraft or watercraft; and
- l. Any intermodal container, "trailer", or any other carrying conveyance including any equipment or supplies that are part of the container, trailer, or conveyance.
- m. Your costs, expenses, fees, fines, penalties, or damages resulting from your violation of any law or regulation relating to delay in payment, denial, or settlement of any claim.

We will pay up to \$1,000 for direct physical "loss" or damage to your tools and equipment. This will not increase the amount of insurance under this extension of coverage.

We will not pay under this extension of coverage for any "loss" or damage based upon, arising out of, caused by, or resulting from any of the following. Except as specified otherwise, such "loss" or damage is excluded under this extension of coverage regardless of any cause or event that contributes concurrently or in any sequence to the "loss":

- a. Breakage of eggs unless directly caused by a peril insured against and then only if the "loss" amounts to 50% of the value of the shipping package (each package to be considered as separately insured), but we will not be liable for such "loss" in excess of \$7,500.
- b. Penalties for failure to comply with any provisions or conditions in the contract.
- c. Freight charges, except:
 - 1) As provided above; and
 - 2) Such charges that had been earned prior to the acceptance of shipments insured under this form and for which you are legally liable.
- d. We do not pay for "loss" or damage to perishable stock caused by spoilage.

But if spoilage results from a peril insured against, we will cover the "loss" or damage" caused by the peril insured against.

- e. We do not pay for "loss" or damage caused by or resulting from strikes, lockouts, labor disputes, riots, civil commotion, or the acts of any person or persons taking part in any such occurrence or disorder.
- f. We do not pay for "loss" or damage caused by or resulting from voluntary parting with title to or possession of any property because of any fraudulent scheme, trick, or false pretense.
- g. We do not pay for "loss" or damage caused by or resulting from any breakdown of the refrigeration or heating unit of a vehicle transporting covered property.
- h. Property that has been transferred to a person or to a place outside the premises on the basis of unauthorized instructions.
- i. We do not pay for "loss" or damage caused by or resulting from mysterious disappearance, unexplained "loss", or inventory shortage. We will accept inventory records as a means of proving the amount of covered "loss".

The property deductible applies to this extension.

18. **Newly Acquired or Constructed Property.**

- a. If this policy covers Building(s), you may extend that insurance to apply an amount up to 50% of the Amount of Insurance for **Section I – Building(s) – Coverage 1** or \$500,000, whichever is less, for "loss" to:
 - 1) Newly acquired buildings at other than the location(s) described in the "Declarations"; or
 - 2) New additions, buildings, and structures when constructed on the insured premises, including materials, equipment, and supplies on or within 1,500 feet of the insured premises;

provided there is no other insurance applicable.

- b. If this policy covers your Business Personal Property and Personal Property of Others, you may extend that insurance to apply up to 25% of the Amount of Insurance for **Section I – Business Personal Property and Personal Property of Others – Coverage 2** or \$250,000, whichever is less, on newly acquired Business Personal Property and Personal Property of Others in a newly acquired or leased building other than the location(s) described in the

"Declarations", provided there is no other insurance applicable.

- c. If this policy covers your "income" and "rental income" under **Section I – Income Protection – Coverage 3**, you may apply up to one month's actual loss of business "income", or \$250,000, whichever is less, for loss of "income" and/or "rental income" on:
 - 1) Newly acquired Building(s) or Business Personal Property and Personal Property of Others in a newly leased building at other than the location(s) described in the "Declarations"; or
 - 2) New additions, buildings, and structures when constructed on the described premises, including materials, equipment, and supplies on or within 1,500 feet of the described premises, if "loss" to the new additions, buildings, and structures delays the start of your business. The "interruption of business" will start on the day your business would have started if the "loss" had not occurred;

provided there is no other insurance applicable.

This extension of coverage shall apply for ninety (90) days after the acquisition or start of construction, provided the policy remains in force or is renewed.

You shall report values involved and pay any additional premium.

This extension of coverage does not apply to property while in transit.

For **Building(s) – Coverage 1** and **Business Personal Property and Personal Property of Others – Coverage 2**, the property deductible applies to this extension. For **Income Protection – Coverage 3**, no deductible applies to this extension.

19. **Non-Owned Detached Trailers. Section I – Business Personal Property and Personal Property of Others – Coverage 2** is extended to cover non-owned detached trailers that you do not own, provided that:

- a. The trailer is used in your business;
- b. The trailer is in your care, custody, or control at the insured premises described in the "Declarations"; and
- c. You have a contractual responsibility to pay for "loss" or damage to the trailer.

We will not pay for any "loss" or damage that occurs:

- a. While the trailer is attached to any motor vehicle or motorized conveyance, whether or not the motor vehicle or motorized conveyance is in motion; or
- b. During hitching or unhitching operations or when a trailer becomes accidentally unhitched from a motor vehicle or motorized conveyance.

We will pay up to \$5,000 for any one "loss" caused by a peril insured against to non-owned detached trailers.

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

This extension of coverage applies to each building described in the "Declarations".

A \$200 deductible applies to this extension.

20. **Peak Season Coverage – Business Personal Property and Personal Property of Others – Coverage 2.** We will pay up to an additional 25% of the Amount of Insurance for **Section I – Business Personal Property and Personal Property of Others – Coverage 2** to cover "loss" to Business Personal Property and Property of Others during a peak season.

The property deductible applies to this extension.

21. **Personal Articles. Section I – Business Personal Property and Personal Property of Others – Coverage 2** is extended to cover household and personal articles of the insured, the insured's partners, members or managers of a limited liability company, the insured's officers, or the insured's employees for "loss" caused by a peril insured against. We will pay up to \$10,000 for any one "loss" at the premises described in the "Declarations".

This extension of coverage applies to each building described in the "Declarations".

A \$200 deductible applies to this extension.

22. **Pollutants Clean Up and Removal.** We will pay up to \$25,000 to extract "pollutants" from land or water on the premises described in the "Declarations" if the release, discharge, or dispersal of "pollutants" is caused by a peril insured against during the policy period. The most we will pay for all "losses" throughout the policy period is \$25,000. The "loss" must be reported to us within 180 days after the "loss" or the end of the policy period, whichever is the later date.

We will not pay the cost of testing, evaluating, observing, or recording the existence, level, or effects of "pollutants". However, we will pay the cost of

testing which is necessary for the extraction of "pollutants" from land or water.

The property deductible applies to this extension.

23. **Property in Danger.** This policy will extend coverage to any "loss" to covered property removed from the premises described in the "Declarations" or at a temporary location because of danger of damage by a peril insured against or to repair damage to the covered property, if such "loss" occurs within forty-five (45) days of the date the covered property was removed from the premises or taken to a temporary location.

This extension of coverage applies to each building described in the "Declarations".

The property deductible applies to this extension.

24. **Temporarily Off-Premises – Business Personal Property and Personal Property of Others – Coverage 2.** This policy will extend coverage for "loss" caused by a peril insured against to Business Personal Property and Personal Property of Others or sales samples at a location you do not own, lease, or operate for not more than sixty (60) days, or at exhibitions or trade shows for not more than sixty (60) days. The most we will pay under this extension of coverage is \$25,000 for Business Personal Property and Personal Property of Others and \$5,000 for sales samples. This extension of coverage shall not apply to:

- a. Business Personal Property and Personal Property of Others or sales samples while in transit;
- b. An "accident" or "electronic circuitry impairment" to "covered equipment" as provided in **Section IV – Additional Coverages – Equipment Breakdown Coverage**;
- c. Property rented to others; or
- d. Property sold on installment or deferred payment plans after delivery to customers.

The property deductible applies to this extension.

25. **Transportation.** This policy will extend coverage under **Section I – Business Personal Property and Personal Property of Others – Coverage 2** – for "loss" or damage caused by a peril insured against to Business Personal Property and Personal Property of Others while it is:

- a. In or on an "aircraft" of a common or contract carrier anywhere in the world;
- b. In or on a vehicle of a common or contract carrier or a vehicle operated for you but only in the United States of America, its territories or possessions, Puerto Rico, or Canada; or

- c. In the custody of a common or contract carrier and on a dock, pier, bulkhead, platform, or station but only in the United States of America, its territories or possessions, Puerto Rico, or Canada.

This extension of coverage shall not apply to "loss":

- a. That is recoverable from the purchaser, transporter, or any other insurance;
- b. Caused by unexplained or mysterious disappearance; or
- c. Caused by improper packing, stowage, or rough handling.

This extension includes \$1,000 of coverage for tools and equipment. This will not increase the amount of insurance under this extension of coverage.

The most we will pay under this extension for all "losses" during the policy period is \$25,000.

The property deductible applies to this extension.

- 26. **Valuable Papers and Records.** We will pay up to \$25,000 for any one "loss" to cover the "extra expense" incurred in the reproduction of your valuable papers and records and your interest in the valuable papers of others when destroyed by a peril insured against.

Coverage will also apply while your valuable papers and records and your interest in the valuable papers of others are being moved to and while at a place of safety because of imminent danger of "loss" and while being returned from such place.

"Loss" or damage to valuable papers and records will be valued at the cost of restoration or replacement of the lost or damaged information. To the extent that the contents of the valuable papers and records are not restored, the valuable papers and records will be valued at the cost of replacement with blank materials of substantially identical type.

Valuable papers and records means inscribed, printed, or written:

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

including abstracts, books, deeds, drawings, films, maps, or mortgages. But valuable papers and records does not mean "money" or "securities".

A \$200 deductible applies to this extension.

- 27. **Heating and Air Conditioning Equipment. Section I – Business Personal Property and Personal Property of Others – Coverage 2** is extended to

cover heating or air conditioning equipment which is in your care, custody, or control and for which you are contractually responsible. The heating and air conditioning equipment must be permanently attached to the building on the premises described in the "Declarations".

We will pay up to \$20,000 for any one "loss" caused by a peril insured against to heating and air conditioning equipment.

This extension of coverage applies to each building described in the "Declarations".

The property deductible applies to this extension.

- 28. **Laptop Computers Off-Premises.** We will pay up to \$10,000 for "loss" caused by a peril insured against to laptops, notebooks, and other handheld computers while in transit, temporarily at your home, or at a premises you do not own, lease, or occupy.

We will not pay for "loss" caused by and "accident" or "electronic circuitry impairment" to "covered equipment", except as provided in **Section IV – Additional Coverages – Equipment Breakdown Coverage**.

A \$200 deductible applies to this extension.

- 29. **Demolition Cost.** We will pay the cost of demolishing and removing any undamaged portion of the building after a covered "loss".

We will pay up to \$25,000 for demolishing and removing the undamaged portion of the building after a covered "loss".

The property deductible does not apply to this extension.

- 30. **Data Breach Response Expenses.** We will pay up to \$10,000 for Data Breach Response Expenses if you have a "personal data breach" that is:

- a. First discovered by you during the policy period;
- b. Reported to us within thirty (30) days from the date it is first discovered by you; and
- c. The "personal data breach" takes place in the "coverage territory".

This \$10,000 Amount of Insurance is the most we will pay for the sum of all costs covered by Data Breach Response Expenses under Paragraph **A. Data Breach Response Expenses – What is Covered**, because of all "personal data breaches" occurring during the policy period.

We will pay up to \$5,000 for the sum of all costs covered under Paragraph **A.1.) Legal Services and Forensic Information Technology Services** because of all "personal data breaches" occurring during the

policy period. This sub-amount is part of, and not in addition to, the \$10,000 Amount of Insurance for Data Breach Response Expenses.

These Amounts of Insurance apply regardless of the number of "personal data breaches" occurring during the policy period.

A "personal data breach" may first be discovered by you in one policy period, but it may result in covered costs in one or more subsequent policy periods. If so, the most we will pay for covered costs arising from such "personal data breach" is \$10,000.

Coverage for Services to Affected Individuals provided under Paragraph **A.3.**, is limited to costs to provide such services for a period of up to one year from the date of the notification to the "affected individuals". Notwithstanding, coverage for Identity Restoration Case Management Services initiated within such one year period may continue for a period of up to one year from the date such Identity Restoration Case Management Services are initiated.

The property deductible does not apply to this extension.

A. Data Breach Response Expenses – What is Covered

1. Legal and Forensic Information Technology Services – We will pay your necessary and reasonable costs for the following outside professional services:
 - a. Legal Services – Professional legal counsel review of the "personal data breach" and how you should best respond to it.
 - b. Forensic Information Technology Services – Professional information technologies review, if needed, to determine the nature and extent of the "personal data breach", and the number and identities of the "affected individuals".
2. Notification to Affected Individuals – We will pay your necessary and reasonable costs to provide notification of the "personal data breach" to "affected individuals".
3. Services to Affected Individuals – We will pay your necessary and reasonable costs to provide the following services to "affected individuals":
 - a. Informational Materials – A packet of loss prevention and customer support information is available.

- b. Help Line – A toll-free telephone line for "affected individuals" with questions about the "personal data breach" or wanting to request additional services as listed in Paragraphs **c.** and **d.** below.
- c. Monitoring Services – An electronic service automatically monitoring for activities affecting an individual's credit files, public records, and/or criminal records. Monitoring Services are subject to the type of data released and to the "affected individuals" enrolled for this service with the designated service provider.
- d. Identity Restoration Case Management – This covers the services of an identity restoration professional. This professional will help the "affected individual" to recover control over their personal identity. This includes, with the permission and cooperation of the "affected individual", contacting authorities, credit bureaus, creditors, and businesses for the process of correcting credit, other records, and accounts, within the constraints of what is possible and reasonable, to restore control over their personal identity.

B. Exclusions

We do not cover any costs for a "personal data breach" arising from the following:

1. Your intentional or willful complicity in a "personal data breach".
2. Any criminal; fraudulent; dishonest act, error, or omission; or any intentional or knowing violation of the law by you.
3. Any third party liability or defense costs.
4. Costs to research any deficiency, except as specifically provided under Paragraph **A.1.b.** Forensic Information Technology Services. This exclusion includes, but is not limited to, any deficiency in your systems, procedures, or physical security that may have contributed to a "personal data breach".
5. Costs to correct any deficiency in your systems, procedures, or physical security that may have contributed to a "personal data breach".

6. Any fines or penalties including, but not limited to, fees or surcharges from affected financial institutions.
7. Any costs arising out of criminal investigations or proceedings.
8. Any threat, extortion, or blackmail including, but not limited to, ransom payments and private security assistance.
9. Any propagation or forwarding of malware, including viruses, worms, Trojans, spyware, and keyloggers in connection with hardware or software created, produced, or modified by you for sale, lease, or license to third parties.
10. Your reckless disregard for the security of "personally identifying information" in your care, custody, or control.
11. Your purposeful off-shoring of the processing, storage, or other use of data containing "personally identifying information" to a jurisdiction outside of the "coverage territory".

C. Additional Conditions

1. Bankruptcy or Insolvency – Bankruptcy or insolvency of you or your estate will not relieve us of our obligations under this Data Breach Response Expenses coverage.
2. Due Diligence – You agree to use due diligence to prevent and mitigate costs covered under this Data Breach Response Expenses coverage. This includes, but is not limited to, complying with reasonable and industry-accepted protocols for the following:
 - a. Providing and maintaining appropriate physical security for your premises, computer systems, and hard copy files, electronic media, handheld devices, and storage devices;
 - b. Providing and maintaining appropriate computer, network, and Internet security;
 - c. Maintaining and updating at appropriate intervals back-ups of computer data;
 - d. Protecting transactions, such as using encryption when processing credit card, debit card, and check payments;
 - e. Appropriate disposal of files containing "personally identifying information", including shredding hard

copy files and destroying physical media used to store "electronic data"; and

- f. Providing appropriate security awareness training on your physical, electronic, and procedural security measures.
3. Legal Advice – The services provided under this Data Breach Response Expenses coverage are not legal recommendations for action. Our determination of what is, or is not covered under this coverage does not represent legal advice or counsel from us about what action you should, or should not do.
4. Pre-Notification Consultation – You agree to consult with us prior to issuing any notification to "affected individuals". We assume no responsibility under this Data Breach Response Expenses coverage for any services promised to "affected individuals" without our prior agreement. If possible, this pre-notification consultation will also include the designated service provider(s) as agreed to under the Service Providers Condition. You must provide the following at our pre-notification consultation with you:
 - a. Information about the "personal data breach" that may appropriately be communicated with "affected individuals"; and
 - b. The scope of services that you desire for the "affected individuals". For example, coverage may be structured to provide fewer services in order to make those services available to more "affected individuals" without exceeding the available Data Breach Response Expenses coverage Amount of Insurance.
5. Service Providers
 - a. We will only pay under this Data Breach Response Expenses coverage for services that are provided by service providers approved by us. Approval of an alternate vendor must be obtained prior to the consultation process. We will only pay reasonable and customary charges associated with services covered under this Data Breach Response Expenses coverage provided by an alternate vendor.
 - b. Prior to the pre-notification consultation described in the Pre-Notification

Consultation Condition, you must come to an agreement with us regarding the service provider(s) to be used for the Notification to Affected Individuals and Services to Affected Individuals as described in Paragraph A. **Data Breach Response Expenses – What is Covered**, Paragraphs 2. and 3. We will suggest a service provider. If you prefer to use an alternate service provider, our coverage is subject to the following limitations:

- 1) Such alternate service provider(s) must be approved by us prior to the consultation process;
 - 2) Our payment for services provided by any alternate service provider will not exceed the amount that we would have paid using the service provider we had suggested; and
 - 3) Such alternate service provider must provide services that are reasonably equivalent or superior in both kind and quality to the services that would have been provided by the service provider we had suggested.
- c. We will only pay for Legal Services under this Data Breach Response Expenses coverage from licensed legal counsel.
6. Services – The following conditions apply regarding any services provided to you or any "affected individual" by us, our designees, or any service firm paid for in whole or in part under this Data Breach Response Expenses coverage:
- a. The effectiveness of such services depends on your cooperation and assistance;
 - b. All services may not be available or applicable to all "affected individuals". For example, "affected individuals" who are minors or foreign nationals may not have credit records that can be provided or monitored. Service in Canada will be different from service in the United States and Puerto Rico in accordance with local conditions;
 - c. We cannot guarantee, after our vendor has provided the applicable services, that the problems associated with the

covered "personal data breach" will be eliminated; and

- d. You will have a direct relationship with the professional service firms paid for in whole or in part under this coverage. Those firms work for you.

7. Time Limits

- a. You must report a "personal data breach" to us within thirty (30) days of your discovery of the "personal data breach".
- b. You have up to one year from the date of reporting a "personal data breach" to initiate the services provided for you.
- c. An "affected individual" has up to one year from the date the notification is received of a "personal data breach" to initiate the credit report monitoring services provided.

Once initiated, the credit monitoring services will continue to be provided to that person for two years.

- d. Credit report monitoring and identity restoration case management services will be provided by our designated service provider for a period of twelve (12) consecutive months from the inception of the credit report monitoring and identity restoration case management services.

8. Additional Duties After a Personal Data Breach – In case of a covered "personal data breach", you must perform the following duties:

- a. Give us prompt notice of the "personal data breach". As stated in the Time Limits condition, you must report the "personal data breach" to us within thirty (30) days of "your" discovery.
- b. Take all reasonable steps to protect "personally identifying information" remaining in your care, custody, or control.
- c. Preserve all evidence of the "personal data breach".
- d. Permit us to inspect the property and records proving the "personal data breach".
- e. Send us, within sixty (60) days after the "personal data breach", your signed

and sworn proof of loss statement which includes:

- 1) Time and cause of the "personal data breach";
- 2) Other policies which may cover the "personal data breach";
- 3) The method of the "personal data breach";
- 4) The approximate number of "affected individuals" as a result of the "personal data breach";
- 5) A detailed description of the type and nature of the information that was compromised;
- 6) Whether or not the information was encrypted and if so, the level of encryption;
- 7) Whether or not law enforcement has been notified;
- 8) If available, the states in which the "affected individuals" are domiciled; and
- 9) If available who received the "personally identifying information" as a result of the "personal data breach".

D. Additional Data Breach Definitions

- "Affected individual" means any person who is your current, former, or prospective customer, client, member, director, or employee and whose "personally identifying information" is lost, stolen, accidentally released, or accidentally published by a "personal data breach" covered under this Extension of Coverage. This definition is subject to the following provisions:

1. "Affected individual" does not include any business or organization. Only an individual person may be an "affected individual".
2. An "affected individual" must have a direct relationship with your interests as an insured under this policy. The following are examples of individuals who would not meet this requirement:
 - a. If you aggregate or sell information about individuals as part of your business, the individuals about whom you keep such information do not qualify as "affected

individuals". However, specific individuals may qualify as "affected individuals" for another reason, such as being an employee of yours.

- b. If you store, process, transmit, or transport records, the individual whose "personally identifying information" you are storing, processing, transmitting, or transporting for another entity do not qualify as "affected individuals". However, specific individuals may qualify as "affected individuals" for another reason, such as being an employee of yours.
- c. You may have operations, interests, or properties that are not insured under this policy. Individuals who have a relationship with you through such other operations, interests, or properties do not qualify as "affected individuals". However, specific individuals may qualify as "affected individuals" for another reason, such as being an employee of yours.

3. An "affected individual" may reside anywhere in the world but must be a citizen or legal alien of the United States, its territories and possessions, Puerto Rico, or Canada with a valid Social Security Number (SSN) or Social Insurance Number (SIN).

- "Coverage territory" means the United States (including its territories and possessions), Puerto Rico, and Canada.
- "Malicious code" means any "loss" of data that results from a worm, virus, Trojan, BOT, or other piece of computer code, software, spyware, or malware that is used to collect, destroy, alter, retrieve, or affect computer software and/or data on a computer system, network, storage device, Smartphone, or other peripheral device; and on the date the "personal data breach" occurred is named and recognized by the CERT Coordination Center or any other industry acceptable third party antivirus, antimalware, or other solution that monitors malicious code activity.
- "Personal data breach" means the "loss", theft, accidental release, or accidental publication of "personally identifying information" regarding one or more "affected

individual(s)", if such "loss", theft, accidental release, or accidental publication has or could reasonably result in the fraudulent use of such information. This definition is subject to the following provisions:

1. At the time of the "loss", theft, accidental release, or accidental publication, the "personally identifying information" must be in your direct care, custody, or control.
2. "Personal data breach" includes disposal or abandonment of "personally identifying information" without appropriate safeguards such as shredding or destruction, subject to the following provisions:
 - a. Your failure to use appropriate safeguards must be accidental and not reckless or deliberate; and
 - b. Such disposal or abandonment must take place during the time period for which this Data Breach Response Expenses coverage is effective.
3. "Personal data breach" includes situations where there is a reasonable cause to suspect that such "personally identifying information" has been lost, stolen, accidentally released, or accidentally published, even if there is no firm proof.

All "personal data breach(es)" that are discovered at the same time or arise from the same cause will be considered one "personal data breach".

- "Personally identifying information" means information that could be used to commit fraud or other illegal activity involving the credit or identity of an "affected individual". This includes but is not limited to, social security numbers, drivers' license numbers, credit card numbers, bank account information, medical or health care, personal financial information, employment information, insurance information, or any other account numbers correlated with names and addresses.

The property deductible does not apply to this extension.

31. **Customers Lost Key Replacement Coverage.** We will pay up to \$25,000 for expenses to replace customers' keys that are in your care, custody, or control while conducting your operations. The "loss" or

damage to customers' keys must be caused by a peril insured against and includes keys lost by the insured.

We will pay the smallest of the following:

- a. Actual cost to replace the keys including their installation;
- b. Cost to adjust existing locks to accept new keys and the cost of keys for these locks; or
- c. Cost to replace and install new locks and keys of similar type and quality.

Coverage does not apply if the "loss" or damage is the result of:

- a. Misappropriation;
- b. Concealing and stealing;
- c. Conversion;
- d. Infidelity; or
- e. Any dishonest act on the part of any insured.

SECTION VII – WHEN AND WHERE THIS POLICY APPLIES

A. When

This policy applies to "loss(es)" that occurs during the policy period. Unless otherwise specified in the "Declarations", "Renewal Certificate", "Amended Declarations", "Revised Declarations", or endorsement, the policy period begins and ends at 12:01 AM Standard Time at the stated address of the Named Insured. An "Amended Declarations" or endorsement tells you that the policy has been changed. A "Renewal Certificate" tells you that the policy is being renewed for another policy period.

B. Where

This policy applies to "loss" of property in the United States, its territories and possessions, Puerto Rico, or Canada.

SECTION VIII – COMMERCIAL PROPERTY CONDITIONS

1. ABANDONMENT OF PROPERTY

We will not accept abandoned property.

2. APPRAISAL

If you or we fail to agree on the actual cash value or cost to repair or replace damage to covered property caused by a peril insured against, either party may make written demand for an appraisal. Each party will choose a competent, disinterested, and impartial appraiser and notify the other of the appraiser's identity within twenty (20) days after the demand is received. The appraisers will select a competent, disinterested, and impartial umpire. If the appraisers are unable to agree upon an umpire within fifteen (15) days after both appraisers have been

identified, you or we can ask a judge of a court of record in the state where your principal office is located to select an umpire.

The appraisers will then determine the actual cash value or cost to repair or replace damage to covered property caused by a peril insured against. If the appraisers submit a written report of an agreement to us, the amount agreed upon will be the amount owed. If they cannot agree, they will submit their differences to the umpire. A written award by two will determine the amount of "loss".

Each party will pay the appraiser it chooses, and equally bear expenses for the umpire and all other expenses of the appraisal. However, if the written demand for appraisal is made by us, we will pay for the reasonable cost of your appraiser and your share of the cost of the umpire.

We will not be held liable to have waived any rights by an act relating to the appraisal.

This is not an agreement to arbitrate. The appraisers and umpire are only authorized to determine actual cash value or the cost to repair or replace damaged property. The appraisers and umpire are not authorized to determine if a "loss" is covered or excluded under the policy.

3. COINSURANCE CLAUSE – COVERAGES 1 & 2

The coinsurance clause applies to each insured item for which a specific Amount of Insurance is shown in the "Declarations". (See percentage shown in the "Declarations").

We will pay that proportion of any "loss" that the Amount of Insurance bears to the amount produced by multiplying the coinsurance percentage by the replacement cost or actual cash value of such property at the time of "loss". We will pay the Amount of Insurance or the amount determined by coinsurance, whichever is less.

Our Payment = $\frac{\text{Amount of Insurance}}{\text{amount required}} \times \text{"loss"}$

"Amount required" means the coinsurance percentage multiplied by the replacement cost or actual cash value as shown in the "Declarations".

When applying the coinsurance clause, the cost of excavations and earthmoving, the value of parts of structures underground, and the Extensions of Coverage are not to be considered.

4. DIVISIBLE CONTRACT

The breach of a policy condition in one building or location will have no effect on the coverage of another building or location where no breach exists.

5. LIMITATION – ELECTRONIC MEDIA AND RECORDS

We will not pay for any loss of "income" and/or "rental income" caused by direct physical damage to electronic media and records after the longer of:

- a. Sixty (60) consecutive days after the date of physical "loss" or damage; or
- b. The period beginning with the date of direct physical "loss" or damage to repair, rebuild, or replace with reasonable speed and similar quality, other property at the insured premises due to "loss" caused by the same occurrence.

Electronic media and records mean:

- a. Electronic data processing, recording, or storage media such as films, tapes, discs, drums, or cells;
- b. Data stored on such media; or
- c. Programming records used for electronic data processing or electronically controlled equipment.

This limitation does not apply to "extra expense".

6. LOSS PAYMENT

We will adjust all "loss(es)" with you. We will pay you unless some other person is named in the policy or is legally entitled to receive payment.

"Loss" will be payable thirty (30) days after we receive your proof of loss if you have complied with all the terms of this coverage part and one of the following has been done:

- a. We have reached an agreement with you;
- b. There is an entry of final judgment; or
- c. There is a filing of an appraisal award on your behalf.

We have the option to:

- a. Pay the value of that part of the damaged property;
- b. Pay the cost to repair or replace that part of the damaged property, but this does not include the increased cost of construction due to enforcement of or compliance with any ordinance or law regulating the construction or repair of the damaged building;
- c. Take all or part of the damaged property at an agreed or appraised value; or
- d. Repair or replace that part of the damaged property with material of like kind and quality, but this does not include the increased cost of construction due to enforcement of or compliance with any ordinance or law regulating the construction or repair of the damaged building.

We will not pay more than the Amount of Insurance shown in the "Declarations" applicable to the damaged or destroyed property.

Pennsylvania Only:

We must give the insured notice of our intent to repair or replace within fifteen (15) working days after we receive your sworn proof of loss.

7. SPECIAL LOSS PAYMENT – BUILDING(S) – COVERAGE 1

Improvements and betterments made by others are subject to the following loss payment when damaged by a peril insured against:

- a. If you pay for repair or replacement, we will pay you the expenses involved not exceeding the replacement cost of damaged property;
- b. If repaired or replaced at the expense of others, there is no loss payable to you; or
- c. If the damaged property is not repaired or replaced by you or at the expense of others, there is no loss payable to you.

8. SPECIAL LOSS PAYMENT – BUSINESS PERSONAL PROPERTY AND PERSONAL PROPERTY OF OTHERS – COVERAGE 2

The following property is subject to the following loss payment when damaged by a peril insured against:

- a. Accounting Books, Records, Tapes, and Recording Media. We will pay you the cost of blank items (books, film, or other written documents). **Section VI – Extensions of Coverage – Valuable Papers and Records** provides for reproduction of these items.
- b. Improvements and betterments:
 - 1) If you pay for repair or replacement, we will pay you the expenses involved not exceeding the replacement cost of damaged property;
 - 2) If not repaired or replaced, we will pay you a proportion of your original cost. We will determine the proportionate value as follows:
 - a) Multiply the original cost by the number of days from the "loss" or damage to the expiration of the lease; and
 - b) Divide the amount determined in **1)** above by the number of days from the installation of improvements to the expiration of the lease.

If the lease contains a renewal option, the expiration of the renewal option period will replace the expiration of the lease in this procedure; or

- 3) If repaired or replaced at the expense of others, there is no loss payable to you.

- c. Sold Property. If you have sold property but not delivered it, we will pay you the net selling price.

9. MORTGAGEE

"Loss" shall be payable to mortgagees named in the "Declarations", to the extent of their interest and in the order of precedence.

Our Duties

We will:

- a. Protect the mortgagee's interest in an insured building. This protection will not be invalidated by any act or neglect of the insured, any breach of warranty, increase in hazard, change of ownership, or foreclosure if the mortgagee has no knowledge of these conditions; and
- b. Give the mortgagee thirty (30) days notice before cancellation or refusal to renew this policy.

Mortgagee's Duties

The mortgagee will:

- a. Furnish proof of "loss" within sixty (60) days if you fail to do so;
- b. Pay upon demand any premium due if you fail to do so;
- c. Notify us of any change in ownership or occupancy or any increase in hazard of which the mortgagee has knowledge;
- d. Give us his or her right of recovery against any party liable for "loss". This shall not impair the right of the mortgagee to recover the full amount of the mortgage debt; and
- e. After a "loss", permit us to satisfy the mortgage requirements and receive full transfer of the mortgage and all "securities" held as collateral to the mortgage debt.

Policy conditions relating to **APPRAISAL, LOSS PAYMENT**, and **SUITS AGAINST US** apply to the mortgagee.

This mortgagee interest provision shall apply to any trustee or loss payee named in the "Declarations".

10. NO BENEFIT TO BAILEE

No bailee shall benefit, directly or indirectly, from this insurance.

11. OTHER INSURANCE

You may have other insurance subject to the same plan, terms, conditions, and provisions as insurance under this Coverage Part. If you do, we will pay our share of the covered "loss" or damage. Our share is the proportion that the applicable Amount of Insurance under this

Coverage Part bears to the Amounts of Insurance of all insurance covering on the same basis.

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

12. PROPERTY OF OTHERS

If we are called upon to pay a "loss" for property of others, we reserve the right to adjust the "loss" with the owner. We will not pay the owner more than their financial interest in the covered property. If we pay the owner, such payments will satisfy your claims against us for the owner's property.

In case of disagreement with the property owner, we will conduct the defense on your behalf at our expense.

13. PROTECTIVE SAFEGUARDS

You must maintain, as far as is within your control, any protective safeguards shown in the "Declarations". Failure to do so will suspend the coverage of this policy at the affected location. Coverage will not be suspended if you notify us immediately when the system is not in operation because of repairs or maintenance and you comply with our requests and directions at that time.

14. RECORDS

You must keep proper records so that we can accurately determine the amount of "loss".

15. RECOVERIES

If either you or we recover any property after settlement, that party must notify the other. Expenses of recovery will be deducted from the value of the property. The balance of the proceeds will be divided according to your and our interests.

At your option, the recovered property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay the expenses of the recovery and the expenses to repair the recovered property, up to the applicable Amount of Insurance.

16. RESUMPTION OF YOUR BUSINESS

We will reduce the amount of your:

- a. Income protection loss, other than "extra expense", to the extent that you can resume your business, in whole or in part, by using damaged or undamaged property (including business personal property) at the premises described in the "Declarations" or elsewhere.
- b. "Extra expense" loss to the extent you can return your business to normal and discontinue such "extra expense".

17. SUITS AGAINST US

We may not be sued unless there is full compliance with all the terms of this policy. Suit must be brought within 2 years (Maryland and North Carolina – 3 years) after the "loss" occurs.

18. VACANCY AND UNOCCUPANCY

Property may be unoccupied without limit of time. If the building at which the "loss" occurs is vacant for more than sixty (60) consecutive days before the "loss", then we will:

- a. Not pay for any "loss" caused by:
 - 1) Vandalism or malicious mischief, water damage, glass breakage, or theft; or
 - 2) Sprinkler leakage unless you have exercised reasonable care to protect the system against freezing.
- b. Pay for other covered "losses", but we will reduce the amount of payment by 15%.

For a tenant operated business, the building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.

For the owner of the building, the building means the entire building. Such building is vacant unless at least 31% of its total square footage is:

- a. Rented to a lessee or sub-lessee and used by the lessee or sub-lessee to conduct its customary operations; and/or
- b. Used by the building owner to conduct customary operations.

Buildings under construction or renovation are not considered vacant or unoccupied.

19. VALUATION

We will determine the value of covered property in the event of "loss" or damage as follows:

a. Actual Cash Value:

If there is a covered "loss" to your **Building(s) Coverage 1** or **Business Personal Property and Personal Property of Others – Coverage 2** and actual cash value is shown in the "Declarations", our payment will be on an actual cash value basis instead of on a replacement cost basis, thereby including a deduction for depreciation.

We will pay the smaller of the following:

- 1) The actual cash value of the damaged or destroyed property at the time of "loss"; or

- 2) The Amount of Insurance applicable to the damaged or destroyed property at the time of the "loss".

b. Replacement Cost Coverage:

If there is a covered "loss" to your **Building(s) – Coverage 1** or **Business Personal Property and Personal Property of Others – Coverage 2** and replacement cost is shown in the "Declarations", our payment will be on a replacement cost basis, instead of an actual cash value basis. When you select replacement cost, the Coinsurance Clause shall apply as a percentage of the replacement cost rather than the actual cash value of the property. Payment will not exceed the Amount of Insurance shown in the "Declarations".

We will not pay on a replacement cost basis for any "loss" or damage until:

- 1) Damaged or destroyed property is actually repaired or replaced; and
- 2) Repairs or replacement must be made as soon as practicable.

We will pay the smaller of the following for "loss" or damage to your building described in the "Declarations" on a replacement cost basis:

- 1) The amount of insurance applicable to the damaged or destroyed property;
- 2) The cost of replacement on the same premises with material of like kind and quality and intended for the same use; or
- 3) The amount actually spent in repairing or replacing the lost or damaged property.

We will not pay for "loss" on a replacement cost basis:

- 1) For increased cost due to enforcement of or compliance with any ordinance or law regulating the construction or repair of buildings; except as provided in **Section VI – Extensions of Coverage – Building Ordinance or Law**.
- 2) To "stock" (raw, in process, or finished) or merchandise including materials and supplies in connection therewith;
- 3) To household furniture or apartment and dwelling contents;
- 4) To manuscripts;
- 5) To paintings, etchings, pictures, tapestries, statuary, marbles, bronzes, antique furniture, rare books, antique silver, porcelains, rare glassware, bric-a-brac, or other articles of art, rarity, or antiquity; or

- 6) To obsolete property.

You may choose to accept payment on an actual cash value basis. If you do choose an actual cash value basis, you can still select a replacement cost basis within 6 months of the "loss" if the building(s) is replaced or repaired.

- c. For "stock" you have sold but not delivered at the selling price less discounts and expenses you otherwise would have had.
- d. Nothing if others pay for repairs or replacement.

20. YOUR DUTIES AFTER A LOSS

In case of a covered "loss", you must perform the following duties:

- a. Give us or our Agent immediate notice. If a crime loss, also notify the police (except Virginia);
- b. Protect the property from further damage. If necessary for property protection, make reasonable repairs, and keep a record of all repair costs;
- c. Furnish a complete inventory of damaged property stating its original cost. At our request, furnish a complete inventory of undamaged property stating its original cost. If a "loss" is both less than \$10,000 and less than 5% of the Amount of Insurance, no special inventory and appraisal of the undamaged property shall be required;
- d. Produce for examination, with permission to copy, all books of accounts, bills, invoices, receipts, and other vouchers as we may reasonably require;
- e. Show us or our representative the damaged property, as often as may be reasonably required;
- f. Cooperate with us in our investigation of a "loss" and any suits;
- g. Separately submit to examinations under oath and sign a transcript of the same;
- h. Send us, within ninety (90) days after the "loss", your signed and sworn proof of loss statement which includes:
 - 1) Time and cause of "loss";
 - 2) Your interest in the property and the interest of all others involved;
 - 3) Any encumbrances on the property;
 - 4) Other policies which may cover the "loss";
 - 5) Any changes in title, use, occupancy, or possession of the property which occurred during the policy term;

- 6) When required by us any plans, specifications, and estimates for the repair of the damaged building; and
- 7) The inventory of damaged property as prepared in **c.** above;
- i. In addition to the other conditions under **Section I – Income Protection – Coverage 3**, make necessary replacements or repairs and use all available means to eliminate any unnecessary delay in order to resume operations as soon as possible;
- j. Agree to help us enforce any right of recovery against any party liable for "loss" under this policy. This will not apply if you have waived recovery rights in writing prior to a "loss".

SECTION IX – DEFINITIONS

- "Accident" means a fortuitous event that causes direct physical damage to "covered equipment". This event must be one of the following:
 1. Mechanical breakdown, including physical damage caused by centrifugal force. As used in this definition, Mechanical Breakdown means an occurrence involving one or more moving parts of machinery that causes such machinery to operate improperly or to cease operating.
 2. Artificially generated electrical current, including electrical arcing, that damages electrical devices, appliances, or wires;
 3. Explosion, other than combustion explosion, of steam boilers, steam engines, steam piping, or steam turbines;
 4. Sudden physical damage not otherwise excluded occurring inside:
 - a. Steam boilers, steam engines, steam piping, or steam turbines; or
 - b. Hot water boilers or other equipment used to heat water.
 5. Bursting, cracking, or splitting. However, this does not include any bursting, cracking, or splitting associated with an explosion, unless such explosion is an "accident" as defined in **3.** above.
- "Aircraft" means any machine or device capable of atmospheric flight except model airplanes.
- "Automobile" means a land motor vehicle, trailer, or semi-trailer designed for travel on public roads (including any attached machinery or equipment), but does not include "mobile equipment".
- "Average daily value" means the loss of "income" and/or "rental income" for that premises that you would have earned had no "accident" or "electronic circuitry impairment" occurred during the "interruption of business" divided by the number of days in that period.
We will make no reduction for loss of "income" and/or "rental income" not being earned, or the number of working days, because the "accident" or "electronic circuitry impairment" occurred, or any other schedule or unscheduled shutdowns during the "interruption of business". If the Income Protection dollar deductible is expressed as number times the "average daily value", the amount will be calculated as follows:
"Income" and/or "rental income" divided by the number of working days multiplied by the duration of the "interruption of business".
The "average daily value" applies to all locations included in the valuation of the loss.
- "Burglary" means the taking of Business Personal Property and Personal Property of Others from inside the premises described in the "Declarations" by a person unlawfully entering or exiting the premises as evidenced by visible marks of forcible entry or exit. It includes "loss" to the building and its equipment resulting from "burglary" or attempted "burglary".
- "Buried vessels or piping"
 1. "Buried vessels or piping" means any piping, valve, fitting, or vessel that is buried or encased in the earth, concrete, or other material, whether above or below grade, or in an enclosure which does not allow access for inspection and repair. Such equipment will be considered "buried vessels or piping" if any substantial portion is buried or encased, whether or not the entire piece of equipment is buried or encased and whether or not the equipment is connected to other equipment connected to other equipment that is not buried or encased.
 2. None of the following are "buried vessels or piping":
 - a. Any piping, valve, fitting, or vessel within a building. However, such equipment will not be considered within a building if it is partly or entirely beneath the building's foundation.
 - b. Any piping, valve, fitting, or vessel within a tunnel through which people can pass and that connects two or more buildings.
 - c. Any piping, valve, or fitting that is part of a closed loop geothermal system.
 - d. A pressure vessel used as the cylinder of a hydraulic elevator.
- "Covered equipment" means covered property:
 1. That generates, transmits, or utilizes energy; or
 2. Which, during normal usage operates under vacuum or pressure, other than the weight of its contents.

"Covered equipment" may utilize conventional design and technology or new or newly commercialized design and technology.

None of the following is "covered equipment":

1. Structures, including, but not limited to, the structural portions of buildings, towers, or scaffolding;
 2. Foundations;
 3. Cabinets, compartments, conduits, or ductwork;
 4. Insulating or refractory materials or glass linings;
 5. Dies, patterns, or forms;
 6. "Buried vessels or piping";
 7. Waste, drainage, or sewer piping;
 8. Piping, valves, or fittings forming a part of a sprinkler or fire suppression system;
 9. Piping, valves, or fittings used to convey water. However, the following is "covered equipment":
 - a. Piping, valves, or fittings that are part of a closed loop connected to a boiler or a refrigeration or air conditioning system; and
 - b. Valve actuators.
 10. "Vehicles" or equipment mounted on a "vehicle";
 11. Satellites, spacecraft, or any equipment mounted on a satellite or spacecraft;
 12. Draglines, excavation, or construction equipment;
 13. Equipment manufactured by you for sale;
 14. Equipment of others that you modify, maintain, or test as a professional service; or
 15. "Electronic data".
- "Cyber event" means a hostile, illegal, or transgressive act committed through electronic systems. This includes, but is not limited to hacking, a denial of service attack, or the deployment of malware. However, this does not include any such act committed as an act of war, whether or not officially declared.
 - "Declarations", "Amended Declarations", "Revised Declarations", and "Renewal Certificate" means the form which shows your coverages, limits of protection, premium charges, and other information. This form is part of your policy.
 - "Electronic circuitry impairment"
 1. "Electronic circuitry impairment" means a fortuitous event involving Electronic Circuitry within "covered equipment" that causes the "covered equipment" to suddenly lose its ability to function as it had been functioning immediately before such event. This

definition is subject to the conditions specified in 2. and 3. below.

2. We will determine that the reasonable and appropriate remedy to restore such "covered equipment's" ability to function is the replacement of one or more Electronic Circuitry components of the "covered equipment".
 3. None of the following is an "electronic circuitry impairment":
 - a. Any condition caused by or related to:
 - 1) Incompatibility of the "covered equipment" with any software or equipment installed, introduced, or networked within the prior 30 (thirty) days; or
 - 2) Insufficient size, capability, or capacity of the "covered equipment".
 - b. Exposure to adverse environmental conditions, including, but not limited to, change in temperature or humidity, unless such conditions result in an observable loss of functionality. Loss of warranty shall not be considered an observable loss of functionality.
 4. As used in this definition, Electronic Circuitry means microelectronic components, including, but not limited to, circuit boards, integrated circuits, computer chips, and disk drives.
- "Electronic data" means information or instructions stored in digital code capable of being processed by machinery, facts, or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices, or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of "electronic data", means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve, or send data. This paragraph does not apply to your stock of prepackaged software.
 - "Extra expense" means the necessary expenses incurred by you during the "interruption of business" that would not have been incurred if there had been no direct "loss" to covered property caused by a peril insured against.
 - "Fungus" means any type or form of "fungus", including mold or mildew and any mycotoxins, spores, scents, or by-products produced or released by "fungi".
 - "Income" means the sum of net income (net profit or loss before income taxes) that would have been earned or incurred and necessary continuing operating expenses

incurred by the business such as payroll expenses, taxes, interests, and rents.

- "Interruption of business" means the period of time that your business is partially or totally suspended and it:
 1. Begins with the date of direct "loss" to covered property caused by a peril insured against; and
 2. Ends on the date when the covered property should be repaired, rebuilt, or replaced with reasonable speed and similar quality.
- "Loss" means direct and accidental loss of or damage to covered property.
- "Media" means material on which "electronic data" is recorded such as solid state drives, hard disks, optical disks, flash drives, magnetic tapes, or floppy disks.
- "Mobile equipment" means any of the following types of land vehicles (including any attached machinery or equipment):
 1. Bulldozers, farm machinery, forklifts, and other vehicles designed for use principally off public roads;
 2. Vehicles maintained for use solely on or next to premises you own or rent;
 3. Vehicles that travel on crawler treads;
 4. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - a. Power cranes, shovels, loaders, diggers, or drills; or
 - b. Road construction or resurfacing equipment such as graders, scrapers, or rollers;
 5. Vehicles not described in 1., 2., 3., or 4. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - a. Air compressors, pumps, and generators, including spraying, welding, building cleaning, geophysical exploration, lighting, and well servicing equipment; or
 - b. Cherry pickers and similar devices used to raise or lower workers;
 6. Vehicles not described in 1., 2., 3., or 4. 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 are considered "automobiles":
 - a. Equipment designed primarily for:
 - 1) Snow removal;

2) Road maintenance, but not construction or resurfacing; or

3) Street cleaning;

b. Cherry pickers and similar devices mounted on an "automobile" or truck chassis and used to raise or lower workers; and

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

- "Money" means:

1. Currency, coins, and bank notes in current use and having a face value; and
2. Travelers checks, register checks, credit card slips, and money orders held for sale.

"Money" does not include crypto-currencies such as Bitcoin.

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

- "Production or process machinery" means any machine or apparatus that processes or produces a product intended for eventual sale. This includes all component parts of such machinery or apparatus and any other equipment used exclusively with such machine or apparatus.

- "Rental income" means:

1. The rents from the tenant occupancy of the premises described in the "Declarations";
2. Continuing operating expenses incurred by the business such as:
 - a. Payroll; and
 - b. All expenses for which the tenant is legally responsible and for which you would otherwise be responsible;
3. Rental value of the property described in the "Declarations" and occupied by you; and
4. Incidental income received from coin-operated laundries, hall rentals, or other facilities on the premises described in the "Declarations".

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

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

2. Evidences of debt issued in connection with credit or charge cards not issued by you.

"Securities" does not include "money".

- "Sinkhole collapse" means "loss" caused by sudden sinking or collapse of land into unground empty spaces created by the action of water on limestone or dolomite.

"Sinkhole collapse" does not include:

1. The cost of filling sinkholes, except to the extent that coverage is provided in **Section IV – Additional Coverages A. Collapse**; or
 2. "Loss" or damage to property caused by or resulting from the sinking or collapse of land into man-made underground cavities.
- "Stock" means merchandise held for storage or for sale, raw materials, and in-process or finished goods, including supplies used in their packaging or shipping.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
ERIESECURE BUSINESS EXTRA LIABILITY COVERAGES

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

A. Damage To Premises Rented To You - Fire Legal Liability

1. Under **Section I – Coverages - Coverage A - Bodily Injury And Property Damage Liability – Insuring Agreement**, the following is added:

Insuring Agreement

We will pay those sums that the insured becomes legally obligated to pay as damages because of "property damage" to buildings rented to you or occupied by you.

The damage must be caused by fire, lightning, windstorm, hail, explosion, riot, civil commotion, vehicles, aircraft, smoke, vandalism, malicious mischief, water damage, or elevator collision.

2. The last paragraph of **Section I - Coverages - Coverage A - Bodily Injury And Property Damage Liability – 2. Exclusions** is deleted and replaced with the following:

Exclusions **2.c.** through **2.n.** do not apply to this coverage. A separate Limit of Insurance applies to this coverage as described in **Section III - Limits of Insurance**.

We do not cover liability assumed by the insured except in an "insured contract".

3. Under **Section V – Definitions**, Paragraph **9.a.** of "insured contract" is deleted and replaced by the following:

9.a. A contract for lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire, lightning, windstorm, hail, explosion, riot, civil commotion, vehicles, aircraft, smoke, vandalism, malicious mischief, water damage, or elevator collision to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract".

B. Host Liquor Liability Coverage

Under **Section I – Coverages - Coverage A - Bodily Injury And Property Damage Liability – 2. Exclusions** the following is added to **Liquor Liability**:

This exclusion does not apply to liability of the insured or the indemnitee of the insured arising out of the furnishing or serving of alcoholic beverages at functions incidental to your business, provided you are not engaged in the business of manufacturing, distributing, selling, serving, or furnishing of alcoholic beverages.

C. e-Bikes

1. Under **Section I – Coverages – Coverage A – Bodily Injury and Property Damage Liability – Insuring Agreement**, the following is added:

Insuring Agreement

We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" resulting from an accident arising out of the use of an "e-Bike" being operated by you or by your "employee" while performing duties related to the conduct of your business. The "e-Bike" must be owned, leased, hired, or rented by you for use in your business, or borrowed from your "employee" but only while such "e-Bike" is being used by an "employee" to perform duties related to the conduct of your business.

2. The exclusion under **Section I – Coverages – Coverage A – Bodily Injury And Property Damage Liability – 2. Exclusions – g. Aircraft, Auto or Watercraft** does not apply to this coverage.
3. Under **Section I – Coverages – Coverage A – Bodily Injury And Property Damage Liability – 2. Exclusions**, the following exclusions are added for e-Bike Coverage:

a. Damage to Property

"Property damage to:

- 1) any "e-Bike" that is owned, leased, hired, rented or borrowed for use in your business;
- 2) Personal property owned by you or the operator of the "e-Bike"; or
- 3) Personal property in the care, custody, or control of the operator of the "e-Bike"; or

- 4) Personal property that results from the handling of property while it is being loaded on or unloaded from the "e-Bike" to the place it is finally delivered.

b. Fellow Employee

"Bodily injury" to any fellow "employee" of the insured arising out of and in the course of the fellow "employee's" employment or while performing duties related to the conduct of your business.

c. Racing

"Bodily Injury" or "Property Damage" arising out of any "e-Bike" being used in any prearranged or organized racing, speed or demolition contest, stunting activity or similar activities, or in practice for any such activities.

4. Under **Section V – Definitions**, the following is added:

"e-Bike" means a bicycle with an auxiliary electric power assist that is not subject to motor vehicle registration and does not exceed 28 mph.

D. Non-Owned Watercraft

Under **Section I – Coverages - Coverage A - Bodily Injury And Property Damage Liability – 2. Exclusions - g. Aircraft, Auto or Watercraft, Paragraph 2)a)** is deleted and replaced by the following:

- 2) A watercraft you do not own that is:
 - a) Less than 51 feet long; and
 - b) Not being used to carry person or property for a charge;

E. Incidental Medical Malpractice

1. Under **Section I – Coverages - Coverage A - Bodily Injury And Property Damage Liability – Insuring Agreement**, the following is added to Paragraph 1.:

We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" arising from "incidental medical malpractice injury".

2. Under **Section I – Coverages - Coverage A - Bodily Injury And Property Damage – 2. Exclusions**, the following is added:

This insurance does not apply to:

- a. Expenses incurred by the insured for first aid to others at the time of an accident;
- b. "Bodily injury" arising from any insured if the insured is engaged in the business or occupation of providing the following services:

- 1) Diagnostic, medical, surgical, dental, x-ray, or nursing service or treatment, or the furnishing of food or beverages in connection with the service or treatment;

- 2) Ambulance, paramedical, rescue squad, or other service or treatment conducive to health;

- 3) The furnishing or dispensing of drugs or medical, dental, or surgical supplies or appliances; or

- 4) Health or therapeutic service, treatment, advice, or instruction.

- c. "Bodily injury" arising from any indemnitee if the indemnitee is engaged in the business or occupation of providing the following services:

- 1) Diagnostic, medical, surgical, dental, x-ray, or nursing service or treatment, or the furnishing of food or beverages in connection with the service or treatment;

- 2) Ambulance, paramedical, rescue squad, or other service or treatment conducive to health;

- 3) The furnishing or dispensing of drugs or medical, dental, or surgical supplies or appliances; or

- 4) Health or therapeutic service, treatment, advice, or instruction.

3. Under **Section V – Definitions**, the following is added:

"Incidental medical malpractice injury" means injury arising out of the rendering of or failure to render, during the policy period, the following services:

- a. Diagnostic, medical, surgical, dental, x-ray, or nursing service or treatment, or the furnishing of food or beverages in connection with the service or treatment;

- b. The furnishing or dispensing of drugs or medical, dental, or surgical supplies or appliances; or

- c. Health or therapeutic service, treatment, advice, or instruction.

F. Volunteer Workers - Medical Payments

Under **Section I – Coverages - Coverage C - Medical Payments - Insuring Agreement**, the following is added to Paragraph 1.:

We will pay medical expenses for "bodily injury" sustained by your volunteer workers caused by an accident while engaged in any of your insured operations.

G. Attorneys' Fees

Under **Section I – Coverages - Supplementary Payments - Coverages A and B**, the following is added:

All reasonable attorneys' fees up to \$250 which the insured incurs because of arrest resulting from an accident involving "mobile equipment" covered by this policy.

H. Municipal Supervisors

The following is added to **Section II – Who Is An Insured**:

Supervisors, if you are a municipality.

I. Non-Owned and Hired Automobile Liability Insurance Coverage

1. Insuring Agreement - Non-Owned and Hired Automobile Liability Insurance Coverage

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" resulting from an accident covered by Non-Owned and Hired Automobile Liability Insurance Coverage.

For Non-Owned Automobile Liability Insurance Coverage, the accident must arise out of the use of any "non-owned auto" in your business by any person other than you. However, this insurance would apply for an accident arising out of the use of a customer's auto by you or your "employees" in the course of your business.

For Hired Automobile Liability Insurance Coverage, the accident must arise out of the maintenance or use of "hired autos" by you or your "employees" in the course of your business.

- b. This insurance applies to "bodily injury" and "property damage" only if:
 - 1) The "bodily injury" or "property damage" is caused by an accident that takes place in the "coverage territory"; and
 - 2) The "bodily injury" or "property damage" is caused by an accident during the policy period.

2. Exclusions

The following exclusions are added for **Non-Owned and Hired Automobile Liability Insurance Coverage**:

a. Damage To Property

"Property damage" to:

- 1) Property owned or transported by you; or

- 2) Personal property in the care, custody, or control of the insured.

b. Handling of Property

"Bodily injury" or "property damage" that results from the handling of property:

- 1) Before it is moved from the place where it is accepted by the insured for loading into or onto a "non-owned auto" or "hired auto"; or
- 2) After it is unloaded from a "non-owned auto" or "hired auto" to the place it is finally delivered by the insured.

c. Fellow Employee

"Bodily injury" to any fellow "employee" of the insured arising out of and in the course of the fellow "employee's" employment or while performing duties related to the conduct of your business.

d. Racing

Any "auto" while being used in any prearranged or organized racing, speed, or demolition contest, stunting activity, or similar activities, or in practice for any such activities.

3. Section II - Who Is An Insured

For **Non-Owned and Hired Automobile Liability Insurance Coverage - Who Is An Insured** includes the following:

- a. You;
- b. Any other person using a "hired auto" with your permission;
- c. With respect to a "non-owned auto", any partner, member of a limited liability company, or executive officer, but only while such "auto" is being used in your business; or
- d. Any other person or organization, but only with respect to liability because of acts or omissions of the insured under Paragraphs **a.**, **b.**, or **c.** above.

4. The following are not included under **Section II - Who Is An Insured**:

- a. Any person, member of a limited liability company, or executive officer with respect to an "auto" owned by such partner, member of a limited liability company, or executive officer or a member of their household;
- b. Any person engaged in the business of their employer, with respect to "bodily injury" to any fellow "employee" of such person injured in the cause of their employment;

- c. Any person while employed in or otherwise engaged in duties in connection with an "auto business" other than an "auto business" you operate;
- d. The owner or lessee (of whom you are a sublessee) of a "hired auto", the owner of a "non-owned auto", or any agent or employer of such owner or lessee; or
- e. Any person or organization with respect to the conduct of any current or past partnership, joint venture, or limited liability company shown as a Named Insured in the Declarations.

5. For **Non-Owned and Hired Automobile Liability Insurance Coverage** the following is added under **Section IV - Commercial General Liability Conditions - 4. Other Insurance - b. Excess Insurance:**

This insurance is excess over any other automobile insurance available to you.

6. The following are added to **Section V - Definitions:**

"Auto business" means the business or occupation of selling, repairing, servicing, storing, or parking "autos".

"Hired auto" means any auto you lease, hire, rent, or borrow.

This does not include any "auto" you lease, hire, rent, or borrow from any of your "employees", any members of a limited liability company, any partner, "executive officer", or members of their households.

"Non-owned auto" means any "auto" you do not own, lease, hire, rent, or borrow which is used in connection with your business. This includes any "auto" owned by or registered in the name of:

- a. Your "employees" including members of their households;
- b. Partners, including members of their households, if you are a partnership; or
- c. Members of a limited liability company including members of their households;

but only while such "auto" is being used in connection with your business.

J. **Additional Insured – Managers or Owners of Buildings**

1. The following is added under **Section II - Who Is An Insured:**

The person or organization who owns, maintains, or uses that part of the premises leased to you, but only with respect to their liability arising out of the premises leased to you.

2. The following is added under **Section I – Coverages - Coverage A - Bodily Injury And Property Damage - 2. Exclusions:**

This insurance does not apply to:

- a. Any "occurrence" which takes place after you cease to be a tenant of the premises;
- b. Structural alterations, new construction, or demolition operations performed by or on behalf of the person or organization who is the additional insured; or
- c. "Bodily injury" to "employees" of the person or organization arising out of and in the course of construction.

3. Under **Section III – Limits Of Insurance**, the following is added with respect to insurance afforded to these additional insureds:

The most we will pay on behalf of the additional insured is the amount of insurance:

- a. Required by the contract or agreement you have entered into with the additional insured; or
- b. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This coverage shall not increase the applicable Limits of Insurance shown in the Declarations.

K. **Additional Insured – Mortgagee, Assignee, or Receiver**

1. The following is added under **Section II - Who Is An Insured:**

Any person(s) or organization(s) when you and such person(s) or organization(s) have agreed in a written contract that such person(s) or organization(s) be added as an Additional Insured on your policy. Such person(s) or organization(s) is an insured only with respect to their liability as a mortgagee, assignee, or receiver arising out of the ownership, maintenance, or use of the premises by you.

2. The following is added under **Section I – Coverages, Coverage A - Bodily Injury And Property Damage - 2. Exclusions:**

This insurance does not apply to structural alterations, new construction, and demolition operations performed by or for that person or organization.

3. Under **Section III – Limits Of Insurance**, the following is added with respect to insurance afforded to these additional insureds:

The most we will pay on behalf of the additional insured is the amount of insurance:

- a. Required by the contract or agreement you have entered into with the additional insured; or
- b. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This coverage shall not increase the applicable Limits of Insurance shown in the Declarations.

L. Additional Insured – Lessor of Leased Equipment

- 1. The following is added under **Section II - Who Is An Insured:**

Any person(s) or organization(s) from whom you lease equipment when you and such person(s) or organization(s) have agreed in writing in a contract or agreement that such person(s) or organization(s) be added as an Additional Insured on your policy. Such person(s) or organization(s) is an insured only with respect to liability for "bodily injury", "property damage", or "personal or advertising injury" caused, in whole or in part, by your maintenance, operation, or use of equipment leased to you by such person or organization. However, the insurance afforded to such additional insured:

- a. Only applies to the extent permitted by law; and
- b. Will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

A person's or organization's status as an additional insured under this coverage ends when their contract or agreement with you for such leased equipment ends.

- 2. The following is added under **Section I – Coverages - Coverage A - Bodily Injury And Property Damage – 2. Exclusions** as well as **Section I – Coverages - Coverage B – Personal and Advertising Injury – 2. Exclusions:**

This insurance does not apply to any "occurrence" which takes place after the equipment lease expires.

- 3. Under **Section III – Limits Of Insurance**, the following is added with respect to insurance afforded to these additional insureds:

The most we will pay on behalf of the additional insured is the amount of insurance:

- a. Required by the contract or agreement you have entered into with the additional insured; or
- b. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This coverage shall not increase the applicable Limits of Insurance shown in the Declarations.

M. Damage to Customers' Autos Coverage – Legal Liability

- 1. The following is added to Paragraph 1. under **Section I – Coverages, Coverage A – Bodily Injury and Property Damage Liability - Insuring Agreement:**

Insuring Agreement – Damage to Customers' Autos Coverage – Legal Liability

We will pay those sums that the insured is legally obligated to pay as damages because of "property damage" to customers "autos" and "mobile equipment" parked or stored on the "premises" described in the "Declarations". This coverage includes "property damage" from any cause including collision and upset and includes glass breakage and contact with persons, animals, birds, missiles, falling objects, or elevators. Elevator means an auto servicing hoist or jack.

Coverage also applies while a customer's "auto" or "mobile equipment" is temporarily away from "premises" (in connection with the insured's business) or while any insured has control of such "auto" or "mobile equipment".

- 2. The following is added under **Section I – Coverages, Coverage A – Bodily Injury And Property Damage Liability – 2. Exclusions**, but only for **Damage to Customers' Autos Coverage – Legal Liability:**

a. Owned, Rented, or Demo Autos

This insurance does not apply to "property damage" to "autos" or "mobile equipment" owned, rented, or held for demonstration or sale by any insured under the policy.

b. Employee Dishonesty

This insurance does not apply to theft by you or your "employees", directors, trustees, authorized representatives, or any insured under this coverage.

c. Wear and Tear

This insurance does not apply to "property damage" to "autos" or "mobile equipment" caused by wear and tear, freezing, or mechanical or electrical breakdown or failure unless caused by another loss under these coverages.

d. Defective Parts or Faulty Work

This insurance does not apply to "property damage" to "your product" arising out of it or any part of it. This insurance also does not apply to

"property damage" to "your work" arising out of it or any part of it.

e. **Racing, Speed, or Demolition Contests**

This insurance does not apply to "property damage" to an "auto" or piece of "mobile equipment" while operated or being prepared for any prearranged or organized racing, speed, or demolition contest, or stunting activity.

3. For **Damage to Customers' Autos Coverage – Legal Liability**, the following is added under **Section IV – Commercial General Liability Conditions**:

Deductible

We will only pay those damages in excess of \$200 for all damages sustained by any one person because of "property damage" to their "auto" or "mobile equipment" as a result of any one "occurrence". We may pay all or part of the \$200 deductible in order to settle any claim or "suit". If we do so, you must repay us the deductible amount we paid.

When only a windshield is damaged, the deductible does not apply if the windshield is repaired and not replaced.

Kentucky Only: Should only safety equipment be damaged, we will not apply the deductible. Safety equipment means the glass and plastic used in the windshield, doors, and windows; and the glass, plastic, or other material used in the lights.

4. For **Damage to Customers' Autos Coverage – Legal Liability**, the following definition is added to **Section V - Definitions**:

"Premises" means the place where you conduct your operations shown in the Declarations, including the ways immediately adjoining. It does not include any portion of such premises where any other person or organization conducts operations.

N. **Waiver of Subrogation**

Section IV – Commercial General Liability Conditions – Transfer of Right of Recovery Against Others to Us is deleted and replaced by the following:

We waive any right of recovery against the Additional Insured because of payments we make under this Coverage Form. Such waiver by us applies only to the extent that the insured has waived its right of recovery against the Additional Insured prior to loss.

The insured must do nothing after a loss to impair our rights. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce these rights.

O. **Primary and Non-Contributory Insurance**

Under **Section IV – Commercial General Liability Conditions - Other Insurance** the following is added to **Paragraph 4.:**

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

1. The Additional Insured is a Named Insured under such other insurance; and
2. You have agreed in writing in a contract or agreement that this insurance would be primary and would not seek contribution from any other insurance available to the additional insured.

P. **Definitions**

The following is added to the definition of "Products-completed operations hazard" under **Section V - Definitions**:

Includes all "bodily injury" and "property damage" arising out of "your product" if your business includes the handling or distribution of "your product" for consumption on premises you own or rent.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY CHANGE ENDORSEMENT – EXCLUSIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

- A. The following exclusions are added to Paragraph 2., **Exclusions of Section I – Bodily Injury And Property Damage Liability** and to Paragraph 2., **Exclusions of Section I – Personal and Advertising Injury Liability**:

This insurance does not apply to:

1. Transmissible Spongiform Encephalopathies

- a. "Bodily injury", "property damage", or "personal and advertising injury" arising out of, resulting from, or caused or contributed to by:
 - 1) Transmissible spongiform encephalopathies (hereinafter referred to as TSE);
 - 2) Exposure to TSE;
 - 3) Exposure to any item that is known or suspected to cause, contribute to, or enable TSE; or
 - 4) Any supervision, instructions, recommendations, warnings, or advice given or which should have been given in connection with Paragraphs 1), 2), or 3) above.
- b. We do not cover:
 - 1) The costs of abatement, mitigation, removal, or disposal of feed, feed additives, or animals or any premises or equipment handling such items, as a result of any known or suspected connection between such items and TSE; or
 - 2) Any costs related to a person's abatement, mitigation, removal of, or testing, monitoring, medical costs, or cure for TSE.

Any obligation to share damages with or repay someone else who must pay damages because of such injury or damage as described in Paragraphs **a.** and **b.** above.

2. Asbestos

"Bodily injury", "property damage", or "personal and advertising injury" arising out of:

- a. The inhaling, ingesting, or physical exposure to asbestos or goods or products containing asbestos;
- b. The manufacture, distribution, sale, resale, re-branding, transportation, storage, or disposal of asbestos or products containing asbestos;
- c. The installation, repair, removal, encapsulation, abatement, replacement, handling of or exposure to, asbestos or products containing asbestos; or
- d. The use of asbestos in constructing or manufacturing any goods, products, or structures.

We will not pay for the investigation or defense of any claim or "suit" or for any fine, cost, or expense of any claim or "suit" resulting from asbestos.

3. Communicable Disease

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

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

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

4. Silica or Silica-Related Dust

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

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

5. Fungi or Bacteria

- a. "Bodily injury", "property damage", or "personal and advertising injury" which would not have occurred, in whole or in part, but for the actual, alleged, or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material, or product contributed concurrently or in any sequence to such injury or damage.
- b. Any loss, cost, or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

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

6. Employment Related Practices

"Bodily injury", "property damage", or "personal and advertising injury" to:

- a. A person arising out of any:
 - 1) Refusal to employ that person;
 - 2) Termination of that person's employment; or
 - 3) Employment-related practices, policies, acts, or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, or discrimination directed at that person;
 - 4) Violation(s) of any federal, state, or local wage and hour laws including, but not limited to, those relating to overtime compensation, on-call time, minimum wage, employment misclassification, gratuities, vacation pay, meal and rest breaks, uniform and equipment reimbursement, payroll deductions, waiting time penalties, books,

records, and documentation obligations, mileage or other business expense reimbursement, or the classification of employees for the purpose of determining employees' eligibility for compensation or other benefits; or

- 5) Discrimination or harassment of that person in their capacity as your customer, vendor, or client, including the following as it relates to such discrimination or harassment: violation of an individual's civil rights, libel, slander, humiliation, mental anguish, infliction of emotional distress, defamation, or invasion of privacy.

- b. The spouse, child, parent, brother, or sister of that person as a consequence of "bodily injury", "property damage", or "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs 1), 2), 3), 4), or 5) above is directed.

This exclusion applies:

- a. Whether the injury-causing event described in Paragraphs 1), 2), 3), or 4) above occurs before employment, during employment, or after employment of that person;
- b. Whether the insured may be liable as an employer or in any other capacity; and
- c. To any obligation to share damages with or repay someone else who must pay damages because of the injury.

7. Automobile Operations

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

- a. Auto sales;
- b. Auto dismantling;
- c. Operating a scrap metal business;
- d. Operating a junk yard;
- e. Tire recapping;
- f. Auto structural changing;
- g. Auto building or rebuilding; or
- h. Sales of salvage vehicles.

This exclusion applies regardless of whether such operations are conducted by you or on your behalf or whether the operations are conducted for yourself or for others.

8. Nuclear Energy Liability

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- a. "Bodily injury" or "property damage":
 - 1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limits of liability; or
 - 2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which:
 - a) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof;
 - b) The "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
- b. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.
- c. "Bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:
 - 1) The "nuclear material":
 - a) Is at any "nuclear facility" owned by, or operated by or on behalf of, an insured; or
 - b) Has been discharged or dispersed therefrom;
 - 2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported, or disposed of, by or on behalf of an "insured"; or
 - 3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured"

of services, materials, parts, or equipment in connection with the planning, construction, maintenance, operation, or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion c) applies only to "property damage" to such "nuclear facility" and any property threat.

As used in this Nuclear Energy Liability Exclusion "property damage" includes all forms of radioactive contamination of property.

9. **Tanning Beds/Operations**

This insurance does not apply to "bodily injury" or "property damage" arising out of the ownership, maintenance, or use of tanning beds or devices.

10. **Personal Liability**

This insurance does that apply to "bodily injury", "property damage", or "personal and advertising injury" arising out of personal liability and/or personal activities of the insured at any business premises which is also occupied as the insured's residence.

11. **Human Trafficking**

"Bodily injury", "property damage", or "personal and advertising injury" based upon, arising out of, directly or indirectly resulting from, in connection with, related to, or in any way involving the actual, alleged, threatened, or suspected "human trafficking", including any attempt to commit or conspiracy to commit acts related to "human trafficking" by you or on your behalf.

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

- a. The actual, implied, or imputed knowledge of any "human trafficking";
- b. The failure to protect against, prevent, investigate, report, or otherwise act in connection with any "human tracking";
- c. The actual or alleged aiding and abetting, whether intentional or otherwise, of any "human trafficking";
- d. The negligent supervision, hiring, employment, investigation, supervision, training, monitoring, or retention of others by that insured;
- e. Any conduct, acts, errors, or omissions prohibited by, in violation of, or for which penalties

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are provided within, the Trafficking Victims Protection Act of 2000, including any amendments thereto, or any local, state, federal law, or other similar law.

12. Violation of Law Addressing Data Privacy

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

- a. Any federal, state, or local statute, ordinance, regulation, or other law that addresses, prohibits, or limits access to, use of, or the printing, dissemination, disposal, obtaining, collecting, storing, safeguarding, recording, retention, sending, transmitting, communicating, selling, or distribution of any person's or organization's confidential or personal material or information, including financial, health, biometric, or other nonpublic material or information.

Any such federal, state, or local statute, ordinance, regulation, or other law includes, but is not limited to:

- 1) The Illinois Biometric Information Privacy Act (BIPA), including any amendment of or addition to such law; or
- 2) The California Consumer Privacy Act (CCPA), including any amendment of or addition to such law; or

- b. Any law of a jurisdiction other than the United States of America (including its territories and possessions) or Puerto Rico that is similar to any statute, ordinance, regulation, or other law described in Paragraph **a.** above, including but not limited to the European Union's General Data Protection Regulation.

B. Under **Section V – Definitions**, the following Definitions are added:

- "Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents, or byproducts produced or released by fungi.
- "Hazardous properties" includes radioactive, toxic, or explosive properties.
- "Human trafficking" means:

- a. The recruiting, grooming, transporting, smuggling, detaining, kidnapping, harboring, suppressing, intimidating, or false imprisoning of any person, or the providing or obtaining of any person through use of force or coercion of any person for the purpose of labor or services of any kind, slavery, peonage, involuntary servitude, sexual acts, prostitution, or rape, including, but not limited to, sex trafficking, forced labor, or debt bondage by:

1. Coercion, threat, force, fraud, trick, physical restraint, serious harm or abuse of the legal process;
2. The threat of any of these actions; or
3. Any scheme, plan or pattern intended to make a person believe that they or any other person would suffer any of these actions if they did not perform or provide the labor or service.

- b. Request or demand for sexual favors; or

- c. Exploitation, harassment, abuse, or molestation, sexual, or otherwise.

- "Nuclear facility" means:

- a. Any "nuclear reactor";

- b. Any equipment or device designed or used for:

1. Separating the isotopes of uranium or plutonium;
2. Processing or utilizing "spent fuel"; or
3. Handling, processing, or packaging "waste";

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

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

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

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

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- "Nuclear material" means "source material", "Special nuclear material", or "by-product material".
- "Silica" means silicon dioxide (occurring in crystalline amorphous and impure forms), silica particles, silica dust, or silica compounds.
- "Silica-related dust" means a mixture or combination of "silica" and other dust or particles.
- "Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.
- "Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".
- "Waste" means any waste material:
 - a. Containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content;
 - b. Resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - PROFESSIONAL LIABILITY

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

- A. The following are added under Paragraph 2., **Exclusions of Section I - Coverage A - Bodily Injury And Property Damage Liability** and Paragraph 2., **Exclusions of Section I - Coverage B - Personal and Advertising Injury Liability**:

Professional Liability

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

1. The rendering of or failure to render:
 - a. Diagnostic, medical, surgical, dental, x-ray, or nursing service or treatment, or the furnishing of food or beverages with them;
 - b. Health or therapeutic service, treatment, advice, or instruction;
 - c. Ambulance, paramedical, rescue squad, or other service or treatment conducive to health;
 - d. Service, treatment, advice, or instruction for the purpose of appearance or skin enhancement, hair removal or replacement, personal grooming, or therapy;
 - e. Service, treatment, advice, or instruction relating to physical fitness, including service, treatment, advice, or instruction in connection with diet, cardiovascular fitness, bodybuilding, or physical training programs; or
 - f. Services in the performance of any claim, investigation, adjustment, engineering, inspection, appraisal, survey, or audit services.
2. The furnishing or dispensing of drugs or medical, dental, or surgical supplies or appliances;
3. The handling of or performing of autopsies;
4. Any act, error, or omission with respect to the embalming, handling, disposition, burial, cremation, disinterment, eye enucleation, or removal of dead bodies;
5. The rendering of or failure to render the following professional veterinarian services:
 - a. Medical, surgical, diagnostic testing, or dental procedures used for the prevention, detection, diagnosis, or treatment of any sickness, disease, condition, or injury in animals, including the related furnishing or prescription of drugs or medical, dental, or surgical supplies;
- b. Advice or instruction on health maintenance; or
- c. Any act, error, or omission in the handling or treatment of dead animals including, but not limited to, autopsies, organ donation, or other procedures;
6. The rendering of or failure to render cosmetic, ear piercing, tonsorial, massage, physiotherapy, chiropody, hearing aid, optical or optometric services, or treatments;
7. The selling, licensing, franchising, or furnishing of your computer software, including electronic data processing programs, designs, specifications, manuals, and instructions;
8. Any act, error, or omission with respect to electronic data processing; computer consulting, computer programming services, advice, or instruction, or computer operations;
9. Any act, error, or omission with respect to any real estate agent or broker services;
10. The rendering of or failure to render the following insurance or related professional services:
 - a. Advising, inspecting, reporting, or making recommendations in the insured's capacity as an insurance company, consultant, broker, agent, or representative thereof;
 - b. Effecting insurance, reinsurance, or suretyship coverages;
 - c. Investigating, defending, or settling any claim under any contract or treaty of insurance, self-insurance, reinsurance, or suretyship;
 - d. Auditing or maintaining accounts or records of others;
 - e. Conducting an investment, loan, or real estate department or operations;
 - f. Acting in any capacity as a fiduciary or trustee for mutual funds, pension or welfare funds, annuities, endowments, employee benefit plans, or similar activities; or
 - g. Performing any claim, investigative, adjustment, engineering, inspecting, consulting, survey, au-

dit, appraisal, actuarial, or data processing service for a fee;

11. Arising out of advisory services or counseling with respect to such issues as mental health, crisis prevention, social services or drug and alcohol rehabilitation or similar subjects;
12. Any error, omission, defect, or deficiency in any evaluation, consultation, or advice concerning telecommunication equipment or services;
13. Any advice, consultation, evaluation, inspection, supervision, quality control, or phone network set-up, including central office cabling;
14. The failure to adequately provide telecommunication services;
15. Any error, omission, defect, or deficiency in any evaluation, consultation, or advice concerning Internet service or Internet access;
16. The failure to adequately provide Internet services or Internet access;
17. Any error, omission, defect, or deficiency in:
 - a. Any test performed; or
 - b. An evaluation, a consultation, or advice given;
18. The reporting of or reliance upon any test, evaluation, consultation, or advice;
19. Any error, omission, defect, or deficiency in experimental data or the insured's interpretation of that data;
20. The rendering of or failure to render any "professional services" by you or on your behalf, but only with respect to either or both of the following operations:
 - a. Providing engineering, architectural, or surveying services to others in your capacity as an engineer, architect, or surveyor; and
 - b. Providing or hiring independent professionals to provide engineering, architectural, or surveying services in connection with construction work you perform; or

21. Any other service of a professional nature, including but not limited to accounting, appraiser, attorneys, computer software development, draftsmen, mortgage broker, physiotherapist, stock broker, printers, or title search office.

These exclusions apply even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training, or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage", or the offense which caused the "personal and advertising injury", involved the rendering of or failure to render any professional services by you or on your behalf with respect to the operations described above.

- B. If a premium for a professional liability coverage is shown in the Declarations, then the applicable exclusion for that professional liability coverage does not apply.

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

"Professional services" includes:

1. The preparing, approving, or failing to prepare or approve maps, plans, shop drawings, opinions, reports, surveys, field orders, change orders, or drawings and specifications; and
2. Supervision or inspection activities performed as part of any related architectural or engineering activities.

"Professional services" do not include services within construction means, methods, techniques, sequences, and procedures employed by you in connection with your operations in your capacity as a construction contractor.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WISCONSIN PROPERTY CHANGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

ERIESECURE BUSINESS PROPERTY COVERAGE PART

A. Under Section III – Exclusions, the following is added to Paragraph A.2.:

However, this exclusion will not apply to deny coverage to the insured who did not cooperate in or contribute to the creation of the "loss", provided the "loss" is otherwise covered under this Coverage Part and:

1. The "loss" arose out of an act or pattern of abuse or domestic abuse; and
2. The perpetrator of the "loss" is criminally prosecuted for the act or acts causing the "loss".

If we pay a claim pursuant to the above, our payment to the innocent insured is limited to that insured's ownership interest in the property less any payments we first made to a mortgagee or other party with a legal secured interest in the property. In no event will we pay more than the Amount of Insurance.

B. Under Section III – Exclusions, Paragraph A.10. is deleted and replaced by the following:

By the enforcement of any law or ordinance regulating the construction, use, or repair of any property, or requiring the tearing down of any property, including the cost of removing its debris, except as provided in **Section VI – B. Extensions of Coverage – Building Ordinance or Law Coverage and Debris Removal**. This exclusion does not apply to dwelling properties occupied as a residence by you.

C. Under Loss Payment of Section VIII – Commercial Property Conditions, the following is added to Loss Payment:

If a municipality, which is a first class city, has elected to apply the provisions of Wis. Stat. Ann. Secs. 632.10 through 632.104, a part of our payment for fire or explosion "loss" or damage to your covered real property in that municipality will be withheld if the "loss" or damage is subject to these provisions.

1. The withheld amount will be paid in accordance with the law to the following:
 - a. The municipality where the covered property is located;

- b. You and any other interest named in the "Declarations"; or
 - c. The mortgageholder, if any.

However, we will not pay more than the amount of "loss" payable under this policy.

2. Within ten (10) days after withholding the required amount, we will give written notice of the withholding to the following:
 - a. The building inspection official of the municipality where the covered property is located;
 - b. You;
 - c. Any mortgageholder and any other lienholder who has an existing lien against the property and is named in the "Declarations"; and
 - d. The court in which judgment was entered if the final settlement was determined by judgment.
3. We will not be liable in any cause of action, nor may any liability be imposed on us, arising from the payment, withholding or transferring of all or any portion of a final settlement in accordance with Wis. Stat. Ann. Secs. 632.10 through 632.104.

D. Under Section VIII – Commercial Property Conditions – Valuation, the following is added to Paragraph b. Replacement Cost:

When this Coverage Part insures real property in Wisconsin which is owned and occupied, in part, by you as a dwelling and the property is wholly destroyed, we will pay the Amount of Insurance that applies to such property.

The valued policy provision stated in the above paragraph does not apply to any claim for total "loss" to any building which is insured under a blanket form or endorsement with one Amount of Insurance applicable to two or more buildings. Any claim for total "loss" to a building insured on such blanket basis will be settled at the value stated in the most recent Statement of Values on file with us.

E. Under Section VIII – Commercial Property Conditions, the following is added to Suits Against Us:

No one may bring legal action against us unless the action is brought within two (2) years after the date on which the direct physical "loss" or damage occurred.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WISCONSIN LIABILITY CHANGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

- A. Under **Section I – Bodily Injury And Property Damage Liability – Exclusions, Expected or Intended Injury** is deleted and replaced by the following:

Expected or Intended Injury

"Bodily injury" or "property damage" caused intentionally by or at the direction of, and substantially certain to follow from the act of, an insured person.

We do cover reasonable acts committed to protect persons and property.

- B. Under **Section IV – Commercial General Liability Conditions**, the following Condition is added:

TWO OR MORE COVERAGE FORMS OR POLICIES ISSUED BY US

Notwithstanding the Other Insurance Condition in your policy, if this policy and any other coverage form or policy issued to you by us applies to the same "occurrence", offense or accident, the maximum Limits of Insurance under all coverage forms or policies will not exceed the highest applicable Limits of Insurance under any one coverage form or policy.

In no event will coverage be provided during the policy period after:

1. The applicable Aggregate Limits of Insurance under one coverage form or policy has been exhausted; or
2. The applicable Aggregate Limits of Insurance under any one coverage form or policy would have been exhausted had all covered claims been submitted under that one coverage form or policy rather than under two or more coverage forms or policies.

This condition does not apply to any coverage form or policy issued by us specifically to apply as excess insurance over this policy.

IMPORTANT NOTICE TO WISCONSIN POLICYHOLDERS – ERIESECURE BUSINESS

POLICY SERVICE FEES

SERVICE FEES - For policies effective on and after March 1, 2008, the following service fees will be applicable to all payment plans.

- **Returned Payment Fee** - A **\$25.00** charge will be applied to your account if your check or other payment is returned unpaid by your financial institution.
- **Late Fee** - A **\$10.00** charge will be applied to your account when a cancellation notice is issued on your policy because of non-payment of premium.
- **Reinstatement Fee** - A **\$25.00** charge will be applied to your account when your policy is reinstated with a lapse in coverage following cancellation of your policy because of non-payment of premium.

LEAD LIABILITY

If your policy includes liability coverage, your policy contains Lead Liability Exclusion Endorsement EPP3208, an exclusion involving lead contamination.

Any claims of bodily injury, personal injury, or property damage from lead contamination occurring during this policy period and future policy periods will not be covered. Your liability insurance does not cover any loss, cost, or expense arising from any requests or claims made by a governmental authority that you test for, remove, or in any way respond to the effects of lead.

It has become increasingly apparent in recent years that lead poisoning poses a serious threat to children. Studies have shown that even small doses of lead can cause severe poisoning, slowed development, altered behavior, and loss of intelligence. The lead hazard can be reduced by removing the lead from the premises using approved abatement methods.

Again, this policy contains a complete exclusion for liability resulting from lead. Therefore, we recommend you take action to identify and remove any lead hazards that may exist on your premises to protect yourself.

DO YOU USE SUBCONTRACTORS?

If you use subcontractors in your business, please read the following notice.

It is important to have and maintain Certificates of Insurance for all subcontractors. This will verify that each subcontractor is adequately insured and may protect your business from costly losses. If you do not have and maintain certificates from subcontractors, their costs will be added to the audited payroll of this policy according to the applicable general liability manual rules for uninsured subcontractors. These rules apply in all states where you operate. Uninsured subcontractors represent a significant increase to your general liability loss exposures and could impact your future insurability with ERIE.

When this liability policy was issued, the premium was based on estimated rating information for your operations. Payrolls were not estimated for subcontractors that you hired during the policy period. Therefore, you will be charged an additional premium for subcontractors who do not provide you with certificates of liability insurance, or those that do not have adequate general liability insurance limits. For a subcontractor, ERIE considers general liability insurance limits of at least \$1,000,000 to be adequate.

When your policy term expires, ERIE may audit your operations and review the subcontractors used during the policy term. The audit will ensure that you pay the appropriate premium for your exposure. As part of the audit process, we will ask you for copies of the Certificates of Insurance for each subcontractor that covers the time period the subcontractor performed work for you. Therefore, you may be required to submit more than one Certificate of Insurance for the same subcontractor. If you do not have the certificates, or cannot produce the certificates at the time of the audit, the subcontractor will be considered uninsured and a premium charge will be made.

UNINSURED MOTORISTS COVERAGE, UNDERINSURED MOTORISTS COVERAGE, AND MEDICAL PAYMENTS COVERAGE

This important notice is being provided to you in accordance with Wisconsin law to advise you that Uninsured Motorists Coverage, Underinsured Motorists Coverage, and Medical Payments Coverage are not available for purchase under this ErieSecure Business Policy.

Uninsured Motorists Coverage, Underinsured Motorists Coverage, and Medical Payments Coverage are available under a Family Auto Policy, a Business Auto Policy, or a Garage Auto Policy. If you would like more information, please contact your Agent.

NO FLOOD COVERAGE

Your basic policy covers losses from many perils. However, it **DOES NOT** provide coverage for flood loss.

At your option, flood coverage may be provided for an additional premium for a particular building location or the contents of a building but only if the Limited Flood Coverage or Difference In Conditions is on your policy.

If flood coverage is listed on your Declarations for a particular location and the Limited Flood Coverage is on your policy, flood coverage is provided under the terms of the Limited Flood Coverage but only if a Building Amount of Insurance or Business Personal Property Amount of Insurance for Limited Flood Coverage for the particular location and building is shown in the Declarations.

If Difference In Conditions appears in the Schedule of Forms, then flood coverage is provided under the terms of the Difference In Conditions Endorsement.

However, if Limited Flood Coverage or Difference In Conditions is NOT listed on your Declarations, then your policy **DOES NOT** provide coverage for flood loss.

Insurance covering flood loss is generally available through the National Flood Insurance Program (NFIP).

In an effort to serve you, information about flood insurance and the National Flood Insurance Program (NFIP) can be provided by your ERIE Agent.

CONTACT INFORMATION

PROBLEMS WITH YOUR INSURANCE? - If you are having problems with your insurance company or Agent, do not hesitate to contact the insurance company or Agent to resolve your problem.

**ERIE INSURANCE COMPANY
CUSTOMER SERVICE DEPARTMENT
100 ERIE INSURANCE PLACE
ERIE, PA 16530
TOLL FREE # 1-800-458-0811, EXT. 3000
TELEPHONE # 1-814-870-2000**

You can also contact the **OFFICE OF THE COMMISSIONER OF INSURANCE**, a state agency which enforces Wisconsin's insurance laws, and file a complaint. You can contact the **OFFICE OF THE COMMISSIONER OF INSURANCE** by contacting:

Office of the Commissioner of Insurance
Complaints Department
P. O. Box 7873
Madison, WI 53707-7873
1-800-236-8517
608-266-0103

If you have any questions concerning this Important Notice, please contact your ERIE Agent.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PREMIUM AUDIT – NONCOMPLIANCE CHARGE – WISCONSIN

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM
CONTRACTORS ERRORS AND OMISSIONS LIABILITY COVERAGE
EMPLOYEE BENEFITS LIABILITY COVERAGE
EMPLOYEE DISHONESTY
EMPLOYMENT PRACTICES LIABILITY
ERIESECURE BUSINESS PROPERTY COVERAGE PART
LIQUOR LIABILITY COVERAGE FORM
MANUFACTURERS ERRORS AND OMISSIONS LIABILITY COVERAGE
MOTOR TRUCK CARGO
POLLUTION LIABILITY COVERAGE – FOR CONTRACTORS DESIGNATED SITES
PRINTERS ERRORS AND OMISSIONS LIABILITY COVERAGE
PRODUCT WITHDRAWAL COVERAGE FORM
TECHNOLOGY ERRORS AND OMISSIONS LIABILITY COVERAGE

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

A. With respect to this endorsement, Paragraph 5. **Premium Audit** of **Section V – Conditions**, is deleted.

COMMERCIAL GENERAL LIABILITY COVERAGE FORM;

CONTRACTORS ERRORS AND OMISSIONS LIABILITY COVERAGE;

EMPLOYEE BENEFITS LIABILITY COVERAGE;

EMPLOYEE DISHONESTY;

EMPLOYMENT PRACTICES LIABILITY;

ERIESECURE BUSINESS PROPERTY COVERAGE PART;

LIQUOR LIABILITY COVERAGE FORM;

MANUFACTURERS ERRORS AND OMISSIONS LIABILITY COVERAGE;

MOTOR TRUCK CARGO;

POLLUTION LIABILITY COVERAGE – FOR CONTRACTORS DESIGNATED SITES;

PRINTERS ERRORS AND OMISSIONS LIABILITY COVERAGE;

PRODUCT WITHDRAWAL COVERAGE FORM; AND

TECHNOLOGY ERRORS AND OMISSIONS LIABILITY COVERAGE

A. With respect to this endorsement, the following **Condition** is added:

Premium Audit

1. We will compute all premiums for these Coverage Forms and Coverage Parts in accordance with our rules and rates.
2. Premium for auditable coverages in these Coverage Forms and Coverage Parts is an advance, deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured at the last known address. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the deposit and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.

3. The first Named Insured must keep records of the information we need for premium computation and send us copies at such times as we may request. If the first Named Insured fails to comply with this request at the close of an audit period, an Audit Noncompliance Charge will be assessed, and notice will be sent to the first Named Insured.

The additional charge will be determined by multiplying the "Estimated Auditable Premium" by the Audit Noncompliance Charge Factor. The Audit Noncompliance Charge Factor is 1.0. (The following example is for illustration purposes only).

Example:

"Estimated Auditable Premium": \$25,000

Audit Noncompliance Charge Factor: 1.0

Audit Noncompliance Charge: \$25,000

- a. We will only assess the Audit Noncompliance Charge:

- 1) For audits conducted after the end of the policy period; and
- 2) When we have made at least two written attempts to obtain audit information from the first Named Insured.

The due date for the Audit Noncompliance Charge is the date shown as the due date on the bill.

- b. **Subsequent Compliance**

- 1) The first Named Insured may notify us in writing, prior to the due date on the bill for the Audit Noncompliance Charge, that the Named Insured agrees to comply with the audit request.
- 2) The first Named Insured must comply with the audit within 30 days of our receipt of the written notification described in **b.1)** above, and then the Audit Noncompliance Charge will no longer apply.
- 3) If the first Named Insured fails to comply with the premium audit after 30 days of our receipt of the notification described in Paragraph **b.1)** above the Audit Noncompliance Charge will be final.

- B. With respect to this endorsement, the following **Definition** is added:

- "Estimated Auditable Premium" is the total sum of the premiums for the auditable coverages in the Coverage Forms or Coverage Parts listed below, which are part of the policy being audited and which are included in the audit. If a Coverage Form or Coverage Part is part of the policy being audited, it will appear in the Declarations under the Schedule of Forms. The following are auditable coverages:
 - Coverage in, or provided by way of an endorsement to, the Commercial General Liability Coverage Form for:
 - Bodily Injury and Property Damage Liability;
 - Damage to Premises Rented to You – Fire Legal Liability;
 - Fellow Employee Liability Coverage;
 - Medical Payments Coverage;
 - Municipalities – Sewer and Drain Back-Up Coverage;
 - Personal and Advertising Injury Liability;
 - Voluntary Property Damage Coverage; and
 - Worldwide Coverage.
 - Contractors Errors and Omissions Liability Coverage;
 - Employee Benefits Liability Coverage;
 - Employee Dishonesty Coverage;
 - Employee Dishonesty Increased Coverage;
 - Employment Practices Liability Coverage;

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- Employment Practices Liability Third Party Coverage;
- Coverage in, or provided by way of an endorsement to, the ErieSecure Business Property Coverage Part for:
 - Employee Dishonesty Increased Coverage;
 - Income Protection Coverage;
 - Motor Truck Cargo Increased Coverage; and
 - Transportation Increased Coverage.
- Liquor Liability Coverage;
- Manufacturers Errors and Omissions Liability Coverage;
- Motor Truck Cargo Coverage;
- Pollution Liability Coverage – For Contractors Designated Sites;
- Printers Errors and Omissions Liability Coverage;
- Product Withdrawal Coverage; and
- Technology Errors and Omissions Liability Coverage.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WINDSTORM OR HAIL - DEDUCTIBLE

This endorsement modifies insurance provided under the following:

ERIESECURE BUSINESS PROPERTY COVERAGE PART

A. The following is added under **Section V - Deductibles: Dollar Deductible**

We will pay the amount of "loss" or damage to **Section I – Building(s) - Coverage 1 and Business Personal Property and Personal Property of Others - Coverage 2**, which is in excess of the deductible shown in the "Declarations" for windstorm or hail. The "loss" or damage must be caused directly or indirectly by windstorm or hail regardless of any other cause or event that contributes concurrently or in any sequence to the "loss" or damage.

If "loss" or damage from a covered weather condition other than windstorm or hail occurs, and that "loss" or damage would not have occurred but for the windstorm or hail, such "loss" or damage shall be considered to be caused by windstorm or hail and therefore part of the windstorm or hail occurrence.

This deductible shall be calculated separately for, and shall apply separately to "loss" for:

1. Each building which sustains "loss" or damage;
2. The business personal property and personal property of others at each building at which there is "loss" or damage to business personal property and personal property of others; and
3. Business personal property and personal property of others in the open.

If there is "loss" or damage to both a building and business personal property and personal property of others in that building, separate deductibles apply to the building and to the business personal property and personal property of others. The deductible is calculated off the amount of loss.

Examples – Application Of Deductible

Example 1 – Specific Insurance; Coinsurance Not Met

The amount of loss to the damaged building is \$60,000.

The value of the damaged building at time of loss is \$100,000. The Coinsurance percentage shown in the Declarations is 80%; the minimum Limit of Insurance needed to meet the Coinsurance requirement is \$80,000 (80% of \$100,000).

The actual Limit of Insurance on the damaged building is \$70,000.

The Windstorm or Hail Deductible is \$25,000.

- Step (1): $\$70,000 \div \$80,000 = .875$
Step (2): $\$60,000 \times .875 = \$52,500$
Step (3): $\$52,500 - \$25,000 = \$27,500$

The most we will pay is \$27,500. The \$60,000 amount of loss is reduced by the coinsurance penalty. The remainder of the loss, \$7,500, is not covered due to the Coinsurance penalty for inadequate insurance (Steps (1) and (2)) and the application of the Deductible (Step (3)).

Example 2 – Blanket Insurance; Coinsurance Met

The sum of the values of Building 1 (\$500,000), Building 2 (\$500,000) and Building 3 (\$1,000,000), as shown in the most recent Statement of Values on file with us, is \$2,000,000.

The Coinsurance percentage shown in the Declarations is 90%; the minimum Blanket Limit of Insurance needed to meet the Coinsurance requirement is \$1,800,000 (90% of \$2,000,000).

The actual Blanket Limit Of Insurance covering Buildings 1, 2, and 3, shown in the Declarations, is \$1,800,000 (therefore, no Coinsurance penalty).

Buildings 1 and 2 have sustained damage; the amounts of loss to these buildings are \$40,000 (Building 1) and \$20,000 (Building 2).

The Windstorm or Hail Deductible is \$10,000.

Building 1

- Step (1): $\$40,000 - \$10,000 = \$30,000$

Building 2

- Step (1): $\$20,000 - \$10,000 = \$10,000$

The most we will pay is \$40,000. The portion of the total loss not covered due to application of the Deductible is \$20,000.

B. The following is added under **Section V - Deductibles: Percentage Deductible**

We will pay the amount of "loss" or damage to **Section I – Building(s) - Coverage 1 and Business Personal Property and Personal Property of Others - Coverage 2**, which is in excess of the deductible

shown in the "Declarations" for windstorm or hail. The "loss" or damage must be caused directly or indirectly by windstorm or hail regardless of any other cause or event that contributes concurrently or in any sequence to the "loss" or damage.

If "loss" or damage from a covered weather condition other than windstorm or hail occurs, and that "loss" or damage would not have occurred but for the windstorm or hail, such "loss" or damage shall be considered to be caused by windstorm or hail and therefore part of the windstorm or hail occurrence.

This deductible shall be calculated separately for, and shall apply separately to "loss" for:

1. Each building which sustains "loss" or damage;
2. The business personal property and personal property of others at each building at which there is "loss" or damage to business personal property and personal property of others; and
3. Business personal property and personal property of others in the open.

If there is "loss" or damage to both a building and business personal property and personal property of others in that building, separate deductibles apply to the building and to the business personal property and personal property of others. The deductible is calculated off the building and/or business personal property and personal property of others amount of insurance.

Example 1 – Specific Insurance; Coinsurance Met

The amounts of loss to the damaged property are \$60,000 (Building) and \$40,000 (Business Personal Property and Personal Property of Others in building).

The value of the damaged building at time of loss is \$100,000. The value of the business personal property and personal property of others in that building is \$80,000. The Coinsurance percentage shown in the Declarations is 80%; the minimum Limits of Insurance needed to meet the Coinsurance requirement are \$80,000 (80% of \$100,000) for the building and \$64,000 (80% of \$80,000) for the business personal property and personal property of others.

The actual Limits of Insurance on the damaged property are \$80,000 on the building and \$64,000 on the business personal property and personal property of others (therefore, no Coinsurance penalty).

The Deductible is 2%.

Building

- Step (1): $\$80,000 \times 2\% = \$1,600$
Step (2): $\$60,000 - \$1,600 = \$58,400$

Business Personal Property and Personal Property of Others

- Step (1): $\$64,000 \times 2\% = \$1,280$
Step (2): $\$40,000 - \$1,280 = \$38,720$

The most we will pay is \$97,120. The portion of the total loss not covered due to application of the Deductible is \$2,880.

Example 2 – Blanket Insurance; Coinsurance Met

The sum of the values of Building 1 (\$500,000), Building 2 (\$500,000), Business Personal Property and Personal Property of Others at Building 1 (\$250,000) and Business Personal Property and Personal Property of Others at Building 2 (\$250,000), as shown in the most recent Statement of Values on file with us, is \$1,500,000.

The Coinsurance percentage shown in the Declarations is 90%; the minimum Blanket Limit of Insurance needed to meet the Coinsurance requirement is \$1,350,000 (90% of \$1,500,000).

The actual Blanket Limit Of Insurance covering Buildings 1 and 2 and Business Personal Property and Personal Property of Others at Buildings 1 and 2, shown in the Declarations, is \$1,350,000. Therefore, there is no Coinsurance penalty.

Building 1 and Business Personal Property and Personal Property of Others at Building 1 have sustained damage; the amounts of loss are \$95,000 (Building) and \$5,000 (Business Personal Property and Personal Property of Others).

The Deductible is 5%.

Building

- Step (1): $\$500,000 \times 5\% = \$25,000$
Step (2): $\$95,000 - \$25,000 = \$70,000$

Business Personal Property and Personal Property of Others

- Step (1): $\$250,000 \times 5\% = \$12,500$

The loss, \$5,000, does not exceed the Deductible.

The most we will pay is \$70,000. The remainder of the building loss, \$25,000, is not covered due to application of the Deductible. There is no loss payment for the business personal property and personal property of others.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUILDING ORDINANCE OR LAW – INCREASED COVERAGE

This endorsement modifies insurance provided under the following:

ERIESECURE BUSINESS PROPERTY COVERAGE PART

- A. With respect to coverage provided by this endorsement, the following is added under Paragraph C. of **Section VI – B. Extensions of Coverage – Building Ordinance or Law Coverage** and **Section VI – B. Extensions of Coverage – Demolition Cost**:

The \$25,000 Amount of Insurance for which we will pay under Paragraph C. of **Section VI – B. Extensions of Coverage – Building Ordinance or Law Coverage – Coverage for Increased Cost of Construction** and the \$25,000 Amount of Insurance for which we will pay under **Section VI – B. Extensions of Coverage – Demolition Cost** are increased by the Amount of Insurance for the premises shown in the "Declarations". This increased Amount of Insurance is applied only once as the result of any one occurrence.

The maximum Amount of Insurance we will pay for any one "loss" is:

1. The \$25,000 Amount of Insurance shown under Paragraph C. of **Section VI - B. Extensions of Coverage – Building Ordinance or Law Coverage – Coverage for Increased Cost of Construction** and the \$25,000 Amount of Insurance shown under **Section VI – B. Extensions of Coverage – Demolition Cost** in the ErieSecure Business Property Coverage Part; and
 2. The increased Amount of Insurance shown for the premises described in the "Declarations".
- B. With respect to coverage provided by this endorsement, Paragraph C. of **Section VI – Extensions of Coverage – Building Ordinance or Law Coverage** includes the cost of testing which is performed in the course of removal of "pollutants" from a building, if the ordinance or law, as enforced, requires such testing.
- C. With respect to coverage provided by this endorsement, Paragraph E. of **Section VI – Extensions of Coverage – Building Ordinance or Law Coverage** is deleted and replaced by the following:

We will not pay for "loss" due to any ordinance or law that:

1. You were required to comply with before the "loss", even if the building was undamaged; and
2. You failed to comply with the ordinance or law.

We will not pay any costs associated with the enforcement of or compliance with an ordinance or law which requires any insured or others to monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to or assess the effects of "pollutants", "fungus", wet or dry rot, or bacteria.

Also, we will not pay any costs associated with the enforcement of or compliance with an ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling, or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread, or any activity of "fungus", wet or dry rot, or bacteria.

We will not pay under this Extension of Coverage for any "loss" in value or any cost incurred due to an ordinance or law that you were required to comply with before the time of the current "loss", even in the absence of building damage, if you failed to comply.

DIRECTORS AND OFFICERS LIABILITY COVERAGE – CONDOMINIUM OR HOMEOWNERS ASSOCIATION

CLAIMS-MADE FORM

WISCONSIN

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

Throughout this Coverage Form the words "you" and "your" refer to the Condominium or Homeowners Association and the "directors and officers" of the Condominium or Homeowners Association. The words "we", "us", and "our" refer to the company providing this insurance.

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

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

SECTION I – DIRECTORS AND OFFICERS LIABILITY COVERAGE – CONDOMINIUM OR HOMEOWNERS ASSOCIATION

1. Insuring Agreement

- a. We will pay those sums that an insured becomes legally obligated to pay as damages, including punitive or exemplary damages to the extent allowed by law, because of a "claim" for a "wrongful act" to which this insurance applies.

We will have the right and duty to defend an insured against any "claim" seeking those damages. However, we will have no duty to defend an insured against any "claim" seeking damages for a "wrongful act" to which this insurance does not apply.

We may, at our discretion, investigate any "wrongful act" and settle any "claim" that may result. But:

- 1) The amount we will pay for damages is limited as described under **Section III – Limits of Insurance**; and
- 2) Our right and duty to defend ends when we have used up the applicable Limit of Insurance in the payment of judgments or settlements under this Coverage Form.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided under Paragraph **3. Supplementary Payments**.

- b. This insurance applies to all "wrongful acts" covered by this Coverage Form only if:

- 1) The "wrongful act" takes place in the "coverage territory";
- 2) The "wrongful act" did not occur before the Retroactive Date, if any, shown in the Declarations or after the end of the policy period; and
- 3) A "claim" for damages because of a "wrongful act" is first made against an insured, in accordance with Paragraph **c.** below, during the policy period or any Extended Reporting Period we provide under **Section VI – Extended Reporting Periods** in this Coverage Form.

- c. A "claim" by a person or organization seeking damages for a "wrongful act" will be deemed to have been made at the earliest of the following times:

- 1) At the time an insured provided us with notice of circumstances, pursuant to **Section V., Paragraph 2.a. – Duties in the Event of a Claim or Wrongful Act**, if the subsequent "claim" alleges, arises out of, is based upon, or is attributable to such circumstances or if the "claim" alleges any related "wrongful act" to such circumstances;
- 2) When notice of such "claim" is received and recorded by you or us, whichever comes first; or
- 3) When we make settlement in accordance with Paragraph **1. – Insuring Agreement** above.

All "claims" for damages because of a "wrongful act" to the same person or organization will be deemed to have been made at the time the first of those "claims" is made against any insured.

2. Exclusions

This insurance does not apply to:

a. Bankruptcy

Any liability arising out of your bankruptcy or insolvency.

b. Dishonest, Fraudulent, Criminal, or Malicious Acts

Any liability arising out of any dishonest, fraudulent, criminal, or malicious acts by or at the direction of any insured. However, to the extent that a claim is otherwise covered under this Coverage Form, we will defend a claim asserting a dishonest, fraudulent, or malicious act until such time as the insured is determined to have committed such dishonest, fraudulent, or malicious act.

c. Bodily Injury or Property Damage

Any liability arising out of "bodily injury" or "property damage".

d. Violation of Securities

Any actual or alleged violation in the purchasing or sale of any securities under the Federal Securities Act of 1933, the Securities Exchange Act of 1934, the Public Utilities Holding Company Act of 1935, the Investment Company Act of 1940, or to any amendments or additions to any of these acts.

e. Issuance or Sale of Securities

Any equity or debt offering, solicitation, sale, distribution, or issuance of securities of the Condominium or Homeowners Association where such issuance is exempt from the registration requirements of the Federal Securities Act of 1933, Securities Exchange Act of 1934, or any State Blue Sky Laws, or any activities or transactions dealing in any way with such issuance of securities of the Condominium or Homeowners Association.

f. Personal Profit or Gain

Damages resulting from any transaction of an insured to gain any profit, remuneration, or financial advantage to which such insured was not legally entitled. However, to the extent that a "claim" is otherwise covered under this Coverage Form, we will defend a "claim" asserting an insured gained profit, remuneration, or financial advantage to which such insured was not legally entitled, until such time as the insured is determined to have in fact unlawfully gained such profit, remuneration, or financial advantage.

g. Contractual Liability

Any liability of others assumed by the insured under any contract or agreement, whether oral or in writing.

This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

h. Violation of Laws

Damages resulting from the violation of any federal, state, or local civil rights law, including discrimination on account of race, religion, sex, age, or nationality.

i. Nuclear Hazard

Due to or resulting from nuclear reaction, nuclear radiation, or radioactive contamination, or to any act or condition incidental to any of the above.

j. Pollution

- 1) Any liability arising out of the actual, alleged, or threatened discharge, dispersal, seepage, migration, release, or escape of "pollutants";
- 2) Any loss, cost, or expense arising out of any:
 - a) Request, demand, order, statutory, or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of "pollutants"; or
 - b) "Claim" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, or neutralizing, or in any way responding to, or assessing the effects of "pollutants".

k. ERISA

For an actual or alleged violation of the responsibilities, obligations, or duties imposed by the Employee Retirement Income Security Act of 1974, as amended, or similar provisions of any federal, state, or local statutory law or common law with respect to any pension, profit sharing, health and welfare, or other employment benefit plan or trust established or maintained for the purpose of providing benefits to employees of the organization.

l. Fungi or Bacteria

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

m. Prior Knowledge

Any liability arising out of incidents, circumstances, or "wrongful acts", which an insured:

- 1) Had knowledge of; or
- 2) Could have reasonably foreseen might result in a "claim";

and which were known to the insured prior to the effective date of this Directors and Officers Liability Coverage – Condominium or Homeowners Association or the first Directors and Officers Liability Coverage – Condominium or Homeowners Association issued by us for which this Directors and Officers

Liability Coverage – Condominium or Homeowners Association is an uninterrupted renewal.

n. Prior Notice

Any liability arising out of the facts alleged, or to the same or related "wrongful acts" alleged or contained in any "claim" which has been reported, or in any circumstances for which notice has been given, under any policy for which this Directors and Officers Liability Coverage – Condominium or Homeowners Association is a renewal or replacement.

o. Prior and Pending Litigation

Any liability arising out of any prior:

- 1) Litigation; or
- 2) Administrative or regulatory proceeding or investigation

for which an insured had notice, or alleging the same or related "wrongful acts" alleged or contained in such pending or prior litigation or administrative or regulatory proceeding or investigation which the insured had knowledge of prior to the effective date of this Directors and Officers Liability Coverage – Condominium or Homeowners Association or the first Directors and Officers Liability Coverage – Condominium or Homeowners Association issued by us for which this Directors and Officers Liability Coverage – Condominium or Homeowners Association is an uninterrupted renewal.

p. Outside Directorship Liability

Any "claim" for a "wrongful act" against an insured in an "outside position" if such "claim" is brought or maintained by or on behalf of the "outside organization" in which the insured serves, or by or on behalf of any past, present, or future director or officer of the "outside organization".

However, this exclusion does not apply to:

- 1) Any "wrongful act" by an insured in his or her "outside position". Coverage provided under this Coverage Form shall be excess over any other insurance provided by the "outside organization" for the "directors and officers";
- 2) A "claim" made and maintained on behalf of the "outside organization" independently of and without the solicitation, assistance, participation, or intervention of any insured or any "director or officer" of the "outside organization"; or
- 3) A "claim" brought by a "director or officer" of an "outside organization" for contribution or indemnification, if such "claim" directly results from another "claim" covered under this Coverage Form.

q. Abuse or Sexual Molestation

Due to or resulting out of the actual or alleged:

- 1) "Abuse or sexual molestation" by any insured; or
- 2) Negligent:
 - a) Employment;
 - b) Hiring;
 - c) Supervision;
 - d) Transfer;
 - e) Retention;
 - f) Investigation; or
 - g) Reporting to the proper authorities, or failure to so report

of a person for whom any insured is or ever was legally responsible and whose conduct would be excluded by Paragraph 1) above.

r. Professional Services

Any liability arising out of the rendering or failure to render any professional services, whether or not a fee is paid, including but not limited to, any errors or omissions alleged in the rendering or failure to render professional services.

s. Intellectual Property

Any liability which arises out of any:

- 1) Actual or alleged infringement of copyright, patent, trademark, trade secrets, or other intellectual property rights;
- 2) Unfair competition or piracy; or
- 3) Theft or wrongful taking of concepts or intellectual property.

t. Insurance Operations

Any liability arising out of the rendering of or failure to render the following insurance or related professional services:

- 1) Advising, inspecting, reporting, or making recommendations in the insured's capacity as an insurance company, consultant, broker, agent, or representative thereof;
- 2) Effecting insurance, reinsurance, or suretyship coverages;
- 3) Investigating, defending, or settling any claim under any contract or treaty of insurance, self-insurance, reinsurance, or suretyship;
- 4) Auditing or maintaining accounts or records of others;

- 5) Conducting an investment, loan, or real estate department or operations;
- 6) Acting in any capacity as a fiduciary or trustee for mutual funds, pension or welfare funds, annuities, endowments, employee benefit plans, or similar activities; or
- 7) Performing any claim, investigative, adjustment, engineering, inspecting, consulting, survey, audit, appraisal, actuarial, or data processing service for a fee.

u. **Access or Disclosure of Confidential or Personal Information and Data-Related Liability**

Damages based upon, arising out of, attributable to, or resulting from:

- 1) Any access to or disclosure of any person's or organization's confidential or personal information, including patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information, or any other type of nonpublic information; or
- 2) The loss of use of, damage to, corruption of, inability to access, or inability to manipulate "electronic data" that does not result from physical injury to tangible property.

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

v. **Cyber Liability**

Damages based upon, arising out of, attributable to, or resulting from any of the following:

- 1) Data Breach Response Expenses, from a "personal data breach", which include, but are not limited to any of the following costs or expenses:
 - a) Forensic IT Review;
 - b) Legal Review;
 - c) Notification to Affected Individuals;
 - d) Services to Affected Individuals;
 - e) Public Relations;
 - f) Regulatory Fines and Penalties;
 - g) Payment Card Industry Assessments, Fines, and Penalties;
 - h) Reputational Harm Costs; or
 - i) Reward Payments;

- 2) "Computer Attack";
- 3) Cyber Extortion or any such event alleging, arising out of, based upon, or is attributable to a "cyber extortion threat";
- 4) Misdirected Payment Fraud or any such event alleging, arising out of, based upon, or is attributable to a "wrongful transfer event";
- 5) Computer Fraud or any such event alleging, arising out of, based upon, or is attributable to a "computer fraud event";
- 6) Telecommunications Fraud or any such event alleging, arising out of, based upon, or is attributable to a "computer attack" on a "telecommunications system";
- 7) Privacy Incident Liability or any such event alleging, arising out of, based upon, or is attributable to a "privacy incident";
- 8) Network Security Liability or any such event alleging, arising out of, based upon, or is attributable to a "network security incident"; or
- 9) Electronic Media Liability or any such event alleging, arising out of, based upon, or is attributable to a "electronic media incident".

This insurance does not apply to, nor do we have any duty to defend, a "claim" or "suit" against any insured which seeks damages that are based upon, arising out of, attributable to, or resulting from any actual or alleged cyber event listed in this Cyber Liability Exclusion, even if the "claim" or "suit" alleges that such damages are based upon, arising out of, attributable to, or resulting from any insured's act, error, omission, misstatement, misleading statement, neglect, or breach of duty with respect to such cyber event.

Except to the extent that insurance is provided by this Directors and Officers Liability Coverage – Condominium or Homeowners Association, the Policy to which this Coverage From is attached does not apply to nor do we have any duty to defend any "claim" or "suit" seeking damages that allege, arising out of, based upon, or is attributed to any actual or alleged cyber event, which is listed in this Cyber Liability Exclusion.

3. **SUPPLEMENTARY PAYMENTS**

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

- a. All expenses we incur.
- b. The cost of bonds to release attachments, but only for bond amounts within the applicable Limit of Insurance. We do not have to furnish these bonds.

- c. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the "claim", including actual loss of earnings up to \$250 a day because of time off from work.
- d. All court costs assessed against an insured in the "claim". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
- e. Prejudgment interest awarded against an 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. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable Limit of Insurance.

These payments will not reduce the Limits of Insurance.

SECTION II – WHO IS AN INSURED

- 1. The Condominium or Homeowners Association and any other person or organization named in the Declarations is an insured under this Coverage Form.
- 2. The "directors and officers" of the Condominium or Homeowners Association are insureds under this Coverage Form.
- 3. The "employees" and "volunteer workers" of the Condominium or Homeowners Association are insureds under this Coverage Form.
- 4. Anyone, their estates, guardians, legal representatives, heirs, or assigns who was not a "director or officer" of the Condominium or Homeowners Association at the time of discovery of a "wrongful act" but was a "director or officer" when the "wrongful act" was committed.
- 5. Any person or organization while acting as the Condominium or Homeowners Association's real estate or property manager for acts committed at the direction of the Condominium or Homeowners Association or the "directors and officers" of the Condominium or Homeowners Association are insureds under this Coverage Form. However, a real estate or property manager is not an insured for "claims" brought against them by the Condominium or Homeowners Association or the "directors and officers".
- 6. The "directors and officers" and/or committee members of the Condominium or Homeowners Association collectively and each individually.
- 7. The spouses and "domestic partners" of any insured are insureds under this Coverage Form but only for a "claim" arising out of any actual or alleged "wrongful act" of an insured and, in the case of a spouse or "domestic partner",

where such "claim" seeks damages from marital community property, jointly held property, or property transferred from an insured to the spouse or "domestic partner". No spouse or "domestic partner" may seek or obtain separate counsel in connection with any "claim" under this Coverage Form.

We have no obligation to make any payment for loss in connection with any "claim" against a spouse or "domestic partner" of any insured for any actual or alleged "wrongful act" by such spouse or "domestic partner".

- 8. Any organization you newly acquire or form, other than a partnership, joint venture, or limited liability company, and over which you maintain ownership or majority interest, will be deemed to be a named insured if there is no other similar insurance available to that organization.

However:

- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or, the end of the policy period, whichever is earlier;
- b. Coverage does not apply to "wrongful acts" committed or existed before you acquired or formed the organization; and
- c. The organization must be engaged in the business capacity described in the Declarations.

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

SECTION III – LIMITS OF INSURANCE

- 1. The Limits of Insurance shown in the Declarations for this coverage and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. "Claims" made;
 - c. Persons or organizations making "claims"; or
 - d. "Wrongful acts".
- 2. The Aggregate Limit is the most we will pay for the sum of damages to one or more persons or organizations as a result of all "claims" made during the policy period.
- 3. Subject to 2. above, the Each Claim Limit is the most we will pay for the sum of all damages to one or more persons or organizations as a result of any one "claim".

The Limits of Insurance of this Coverage Form apply separately to each consecutive annual period and to any remaining period of less than twelve (12) months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than twelve (12) months. In that case, the additional period will

be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV – DEDUCTIBLE

1. Our obligation to pay damages on your behalf for each "claim" applies only to the amount of damages in excess of the deductible amount shown in the Declarations for this Coverage Form. The Limits of Insurance will not be reduced by the application of this deductible.
2. The terms of this Coverage Form, including those with respect to:
 - a. Our right and duty to defend any "claims" seeking those damages; and
 - b. Your duties, and the duties of any other involved insured, in the event of a "wrongful act" or "claim";apply irrespective of the application of the deductible amount.
3. We may pay any part or the entire deductible amount to effect settlement of any "claim" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as we have paid.

SECTION V – DIRECTORS AND OFFICERS LIABILITY COVERAGE – CONDOMINIUM OR HOMEOWNERS ASSOCIATION – CONDITIONS

1. Bankruptcy

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

2. Conformity to Statute or Rule

Any provision of this Coverage Form (including endorsements which modify the Coverage Form) that is in conflict with a Wisconsin statute or rule is hereby amended to conform to that statute or rule.

The term rule means a valid rule promulgated by the Commissioner of Insurance in accordance with the rule-making authority conferred under Wis. Stat. Ann. Section 227.11(2) and published in the Wisconsin Administrative Code.

3. Duties in the Event of Claim or Wrongful Act

- a. You must see to it that we are notified as soon as practicable of any "wrongful act" which may result in a "claim". To the extent possible, notice should include:
 - 1) How, when, and where the "wrongful act" took place;
 - 2) The names and addresses of any injured persons and witnesses; and
 - 3) The nature and location of the "wrongful act".

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

- 1) Immediately record the specifics of the "claim" and the date received; and
- 2) Notify us as soon as practicable.

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

c. You and any other involved insured must:

- 1) Immediately send us copies of any demands, notices, summonses, or legal papers received in connection with the "claim";
- 2) Authorize us to obtain records and other information;
- 3) Cooperate with us in the investigation or settlement of the "claim" or defense against the suit; and
- 4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to an insured because of a "claim" to which this insurance may also apply.

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

4. Other Insurance

If valid and collectible insurance is available to an insured for a loss we cover under this Coverage Form, our obligations are limited as follows:

a. Primary Insurance

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

b. Excess Insurance

This insurance is excess over any of the other insurance, whether primary, excess, contingent, or on any other basis, that is effective prior to the beginning of the policy period shown in the Declarations of this insurance and applies to a "claim" on other than a claims-made basis, if:

- 1) No Retroactive Date is shown in the Declarations for this Coverage Form; or
- 2) The other insurance has a policy period which continues after the Retroactive Date shown in the Declarations for this Coverage Form.

When this insurance is excess, we will have no duty to defend an insured against any "claim" if any other insurer has a duty to defend an insured against that

"claim". If no other insurer defends, we will undertake to do so, but we will be entitled to an insured's rights against all those other insurers.

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

- 1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- 2) The total of all deductible and self-insured amounts under all that other insurance.

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

c. Method of Sharing

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

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

d. Outside Directorship Liability

This insurance is excess over any other insurance, whether primary, excess, contingent, or on any other basis, available from or provided by the "outside organization" in which the insured serves in an "outside position". Payment under another policy as a result of a "claim" against an insured in an "outside position" shall reduce, by the amount of such payment, the Limits of Insurance under this Coverage Form with respect to such "claim".

5. Representations

By accepting this Coverage Form, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

No misrepresentation or breach of affirmative warranty made by you or on your behalf in the negotiation of this Coverage Form affects our obligation under this Coverage Form unless:

- a. We rely on it and it is either material or made with intent to deceive; or
- b. The facts misrepresented or falsely warranted contribute to the loss.

No failure of a condition before the loss and not breach of a promissory warranty affects our obligation under this Coverage Form unless such failure or breach:

- a. Exists at the time of the loss; and
- b. Either increases the risk at the time of the loss or contributes to the loss.

The provisions of this condition do not apply to nonpayment of premium.

6. Separation of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Form to the Condominium or Homeowners Association, this insurance applies:

- a. As if each insured were the only insured; and
- b. Separately to each insured against whom a "claim" is made.

7. Transfer of Rights of Recovery Against Others to Us

In the event of any payment under this Coverage Form, we will be entitled to the insured's rights of recovery against any person or organization and the insured will do whatever is necessary to secure such rights. We will be entitled to a recovery only after the insured has been fully compensated for damages.

8. Two or More Coverage Forms or Policies Issued By Us

Notwithstanding the Other Insurance Condition in your policy, if this Coverage Form and any other coverage form or policy issued to you by us applies to the same "wrongful act" the maximum Limits of Insurance under all coverage forms or policies will not exceed the highest applicable Limits of Insurance under any one coverage form or policy.

In no event will coverage be provided during the policy period after:

- a. The applicable Aggregate Limits of Insurance under one coverage form or policy has been exhausted; or
- b. The applicable Aggregate Limits of Insurance under any one coverage form or policy would have been exhausted had all covered "claims" been submitted under that one coverage form or policy rather than under two or more coverage forms or policies.

This condition does not apply to any coverage form or policy issued by us specifically to apply as excess insurance over this policy.

9. When We Do Not Renew

If we decide not to renew this Coverage Form, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than sixty (60) days before the expiration date.

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

10. Notice To You

All persons insured agree that the Condominium or Homeowners Association is authorized to act on behalf of all persons insured to give and receive notice of cancellation, accept any endorsement issued to form a part of this Coverage Form, and receive return premium, if any.

11. Severability of Exclusions

For the purpose of determining coverage:

- a. The Application shall be construed as a separate application for coverage by each insured;
- b. No fact pertaining to or knowledge possessed by any insured shall be imputed to any other insured; and
- c. Only knowledge possessed by an executive shall be imputed to an insured organization.

Except as described above, no fact pertaining to or knowledge possessed by any insured shall be imputed to any other insured.

12. Your Right to Claim Information

We will provide you the following information relating to this and any preceding claims-made coverages that we have issued covering the insured under this Coverage Form for the previous three (3) years:

- a. A list or other record of each "claim", not previously reported to any other insurer, of which we were notified in accordance with Paragraph 2. **Duties in the Event of Claim or Wrongful Act of Section V – Directors and Officers Liability Coverage – Condominium and Homeowners Association – Conditions.** We will include the date and brief description of the "claim" if that information was in the notice we received.
- b. A summary by policy year, of payments made and amounts reserved, stated separately, under any applicable Aggregate Limit.

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

You must not disclose the information to any claimant or any claimant's representative without our consent.

If we cancel or elect not to renew this coverage, we will provide such information no later than thirty (30) days

before the date of policy termination. In other circumstances, we will provide this information only if we receive a written request from you within sixty (60) days after the end of the policy period. In this case, we will provide this information within forty-five (45) days of receipt of the request.

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

SECTION VI – EXTENDED REPORTING PERIODS

1. We will provide one or more Extended Reporting Periods, as described below, if:
 - a. This Coverage Form is canceled or not renewed; or
 - b. We renew or replace this coverage with insurance that:
 - 1) Has a Retroactive Date later than the date shown in the Declarations of this Coverage Form; or
 - 2) Does not apply on a claims-made basis.
2. Extended Reporting Periods do not extend the policy period or change the scope of coverage provided. They apply only to "claims" that occur before the end of the policy period but not before the Retroactive Date, if any, shown in the Declarations. Once in effect, Extended Reporting Periods may not be canceled.
3. A Basic Extended Reporting Period is automatically provided without additional premium charge. This period starts with the end of the policy period and lasts for:
 - a. One year with respect to "claims" because of a "wrongful act" reported to us no later than sixty (60) days after the end of the policy period, in accordance with Paragraph 2.a. under **Section V – Directors and Officers Liability Coverage – Condominium or Homeowners Association – Conditions – Duties in the Event of Claim or Wrongful Act.**
 - b. Sixty (60) days with respect to "claims" arising from a "wrongful act" not previously reported to us.

The Basic Extended Reporting Period does not apply to "claims" that are covered under any subsequent insurance you purchase or that would be covered but for exhaustion of the amount of insurance applicable to such "claim".
4. The Basic Extended Reporting Period does not reinstate or increase the Limits of Insurance.
5. A Supplemental Extended Reporting Period of one, three, or five year durations are available, but only by an endorsement and for an extra premium charge. This

supplemental period starts when the Basic Extended Reporting Period, set forth in Paragraph 3. above ends.

You must give us a written request for the endorsement within sixty (60) days after the end of the policy period. The Supplemental Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due.

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

- a. The exposures insured;
- b. Previous types and amounts of insurance;
- c. Limits of Insurance available under this Coverage Form for future payment of damages; and
- d. Other related factors.

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

This endorsement shall set forth the terms, not inconsistent with this Section, applicable to the Supplemental Extended Reporting Period, including a provision to the effect that the insurance afforded for "claims" first received during such period is excess over any other valid and collectible insurance available under policies in force after the Supplemental Extended Reporting Period starts.

6. The Supplemental Extended Reporting Period will provide a separate Aggregate Limit of Insurance described below, but only for "claims" first received and recorded during the Supplemental Extended Reporting Period.

The Supplemental Aggregate Limits of Insurance will be equal to or greater than the dollar amount shown in the Declarations in effect at the end of the policy period for the Aggregate Limit for this Coverage Form.

Paragraph 2. under **Section III – Limits of Insurance** will be amended accordingly. The Each Claim Limit shown in the Declarations will then continue to apply, as set forth in Paragraph 5. of that Section.

SECTION VII – DEFINITIONS

1. "Abuse or sexual molestation" means any actual, threatened, or alleged act, error, omission, conduct, or misconduct that a "claim" alleges:
 - a. To be, or to constitute, any form of abuse under any applicable state or federal statute;
 - b. Any act which would be considered a criminal act under any applicable federal, state, or local statute, ordinance, or law relating to sexual offenses;
 - c. Any non-sexual assault, non-sexual battery, or non-sexual abuse directed at a person;

- d. Any actual or attempted touching of a person by another person for the purpose of obtaining sexual arousal or sexual gratification;
- e. Any other act undertaken by a person for the purpose of obtaining sexual arousal or sexual gratification;
- f. Any conduct characterized or interpreted as sexual abuse, intimidation, or sexual harassment; or
- g. Any conduct characterized or interpreted as being sexual in nature.

Conduct or misconduct described above constitutes abuse regardless of whether or not it is alleged to be negligent, reckless, knowing, intentional, fraudulent, oppressive, malicious, or otherwise.

2. "Affected individual" means any person whose "personally identifying information" or "personally sensitive information" is lost, stolen, accidentally released, or accidentally published by a "personal data breach". This definition is subject to the following provisions:
 - a. "Affected individual" does not include any business or organization. Only an individual person may be an "affected individual".
 - b. An "affected individual" may reside anywhere in the world.
3. "Authorized third party user" means a party who is not an "employee" or a director of you who is authorized by contract or other agreement to access the "computer system" for the receipt or delivery of services.
4. "Bodily injury" means bodily injury, sickness, or disease sustained by a person, including death resulting from any of these at any time.
5. "Claim" means:
 - a. A written demand for monetary damages or non-monetary relief, against an insured for a "wrongful act";
 - b. A civil, judicial, administrative, or regulatory proceeding against an insured that seeks damages because of a "wrongful act" to which this insurance applies;
 - c. A civil proceeding against any insured commenced by the service of a complaint or similar pleading upon such insured;
 - d. An administrative or regulatory proceeding against any insured commenced by such insured's receipt of a notice of charges or similar document;
 - e. A civil, administrative, or regulatory investigation of any insured person commenced by the service upon or other receipt by an insured of a target letter or other written notice from the investigating authority identifying by name the insured as an individual against whom a proceeding may be commenced;

- f. An arbitration proceeding in which such damages are claimed and to which an insured must submit or does submit with our consent;
 - g. Any other alternative dispute resolution proceeding in which such damages are claimed and to which an insured submits with our consent; or
 - h. Any criminal proceeding against an insured which is commenced by the return of an indictment, information, or similar document, or receipt of filing of a notice of charges.
6. "Computer attack" means one of the following involving the "computer system":
- a. An "unauthorized access incident";
 - b. A "malware attack"; or
 - c. A "denial of service attack" against a "computer system".
- A "computer attack" ends at the earlier of:
- a. The time that the active attacking behavior ceases, the time that you have regained control over the "computer system", or the time that all unauthorized creation, destruction, or movement of data associated with the "computer attack" has ceased, whichever happens latest; or
 - b. Thirty (30) days after your discovery of the "computer attack".
7. "Computer fraud event" means an "unauthorized access incident" that leads to the intentional, unauthorized, and fraudulent entry of or change to data or instructions within a "computer system owned or leased by you and operated under your control. Such fraudulent entry or change must be conducted by a person who is not an "employee", executive, or "independent contractor". Such fraudulent entry or change must cause "money" to be sent or diverted. The fraudulent entry or change must result in direct financial loss to you.
8. "Computer system" means a computer or other electronic hardware that:
- a. Is owned or leased by you and operated under your control; or
 - b. Is operated by a third-party service provider used for the purpose of providing hosted computer application services to you or for processing, maintaining, hosting, or storing your electronic data.
9. "Coverage territory" means anywhere in the world, but only if the "claim" is made or suit is brought against any insured for a "wrongful act" in the United States of America, including its territories and possessions, Puerto Rico, or Canada.
10. "Cyber extortion threat" means a demand for money from you based on a credible threat, or series of related credible threats, to:
- a. Launch a "denial of service attack" against the "computer system" for the purpose of denying "authorized third party users" access to your services provided through the "computer system" via the Internet;
 - b. Gain access to a "computer system" and use that access to steal, release, or publish "personally identifying information", "personally sensitive information", or "third party corporate data";
 - c. Alter, damage, or destroy electronic data or software while such electronic data or software is stored within a "computer system";
 - d. Launch a "computer attack" against a "computer system" in order to alter, damage, or destroy electronic data or software while such electronic data or software is stored within a "computer system"; or
 - e. Transfer, pay, or deliver any funds or property using a "computer system" without your authorization.
- "Cyber extortion threat" does not mean or include any threat made in connection with a legitimate commercial dispute.
11. "Denial of service attack" means an intentional attack against a target computer or network of computers designed to overwhelm the capacity of the target computer or network in order to deny or impede authorized users from gaining access to the target computer or network through the Internet.
12. "Directors and officers" means those individuals, who were, now are, or shall be:
- a. The holder of any elected or appointed officer position created by charters or bylaws of the Condominium or Homeowners Association, including any such officer positions created after the effective date of this Coverage Form;
 - b. A duly elected or appointed member of the administrative board of the Condominium or Homeowners Association; and
 - c. Any other person, who was one of the "directors and officers" of the Condominium or Homeowners Association at the time a "wrongful act" upon which the "claim" is based was committed. This also includes estates, guardians, or legal representatives of such persons.
13. "Domestic partner" means any natural person qualifying as a "domestic partner" under the provisions of any applicable federal, state, or local law or under the provisions of any formal program established by you.

14. "Electronic data" means information, facts, or computer programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), on hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices, or any other repositories of computer software which are used with electronically controlled equipment. The term computer programs, referred to in the foregoing description of "electronic data", means a set of related electronic instructions which direct the operations and functions of a computer or device connected to it, which enable the computer or device to receive, process, store, retrieve, or send data.
15. "Electronic media incident" means an allegation that the display of information in electronic form by you on a website resulted in:
 - a. Infringement of another's copyright, title, slogan, trademark, trade name, trade dress, service mark, or service name;
 - b. Defamation against a person or organization that is unintended; or
 - c. A violation of a person's right of privacy, including false light and public disclosure of private facts.
16. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
17. "Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents, or by-products produced or released by "fungi".
18. "Independent contractor" means a natural person that provides goods or services to you under terms specified in a written contract, but only while acting on behalf of, at the direction of, and under the supervision of you.
19. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
20. "Malware attack" means an attack that damages a "computer system" or data contained therein arising from malicious code, including viruses, worms, Trojans, spyware, and keyloggers.

"Malware attack" does not mean or include damage from shortcomings or mistakes in legitimate electronic code or damage from code installed on your "computer system" during the manufacturing process or normal maintenance.
21. "Money" means a medium of exchange in current use and authorized or adopted by a domestic or foreign government, including currency, coins, banknotes, bullion, travelers' checks, registered checks, and money orders held for sale to the public.
- "Money" does not mean or include any cryptocurrency, whether or not authorized or adopted by a domestic or foreign government. Cryptocurrency includes, but is not limited to, Bitcoin, Ethereum, and other forms of digital, virtual, or electronic money.
22. "Network security incident" means a negligent security failure or weakness with respect to a "computer system" which allowed one or more of the following to happen:
 - a. The unintended propagation or forwarding of malware, including viruses, worms, Trojans, spyware, and keyloggers. Malware does not include shortcomings or mistakes in legitimate electronic code;
 - b. The unintended abetting of a "denial of service attack" against one or more other systems; or
 - c. The unintended loss, release, or disclosure of "third party corporate data".
23. "Outside organization" means a non-profit or charitable organization other than the insured Condominium or Homeowners Association.
24. "Outside position" means service by an insured as a holder of any appointed officer position created by charters or bylaws or an appointed member of the governing board for an "outside organization", but only during such time that such service is with the knowledge, consent, and at the specific request of the Condominium or Homeowners Association.
25. "Personal data breach" means the loss, theft, accidental release, or accidental publication of "personally identifying information" or "personally sensitive information" as respects one or more "affected individuals". If the loss, theft, accidental release, or accidental publication involves "personally identifying information", such loss, theft, accidental release, or accidental publication must result in or have the reasonable possibility of resulting in the fraudulent use of such information. This definition is subject to the following provisions:
 - a. At the time of the loss, theft, accidental release, or accidental publication, the "personally identifying information" or "personally sensitive information" need not be at the insured premises but must be in the direct care, custody, or control of:
 - 1) You; or
 - 2) A professional entity with which you have a direct relationship and to which you (or an "affected individual" at your direction) have turned over (directly or via a professional transmission or transportation provider) such information for storage, processing, transmission, or transportation of such information.
 - b. "Personal data breach" includes disposal or abandonment of "personally identifying information"

or "personally sensitive information" without appropriate safeguards such as shredding or destruction.

- c. "Personal data breach" includes situations where there is a reasonable cause to suspect that such "personally identifying information" or "personally sensitive information" has been lost, stolen, accidentally released, or accidentally published, even if there is no firm proof.
 - d. All incidents of "personal data breach" that are discovered at the same time or arise from the same cause will be considered one "personal data breach".
26. "Personally identifying information" means:
- a. Information, including health information, that could be used to commit fraud or other illegal activity involving the credit, access to health care, or identity of an "affected individual". This includes, but is not limited to, Social Security numbers or account numbers.
 - b. "Personally identifying information" does not mean or include information that is otherwise available to the public, such as names and addresses.
27. "Personally sensitive information" means:
- a. Private information specific to an individual the release of which requires notification to "affected individuals" under any applicable law.
 - b. "Personally sensitive information" does not mean or include "personally identifying information".
28. "Pollutants" means any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, and waste. Waste includes materials to be recycled, reconditioned, or reclaimed.
29. "Privacy incident" means:
- a. A "personal data breach";
 - b. Your failure to comply with a privacy policy;
 - c. Your unauthorized, unlawful (including, but not limited to, in violation of the European Union General Data Protection Regulation, the California Consumer Privacy Act or similar laws) or wrongful collection of "personally identifying information"; or
 - d. Your unlawful (including, but not limited to, in violation of the European Union General Data Protection Regulation, the California Consumer Privacy Act or similar laws) or wrongful failure to amend, correct, or delete "personally identifying information".

30. "Property damage" means:

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

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

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

31. "Telecommunications system" means any telephone or fax system including but not limited to, Voice over Internet Protocol (VoIP) or other internet-based telephone system that is owned or leased by you and operated under your control.
32. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
33. "Third party corporate data" means:
- a. Any trade secret, data, design, interpretation, forecast, formula, method, practice, credit or debit card magnetic strip information, process, record, report, or other item of information of a third party which is not available to the general public and is provided to you subject to a mutually executed written confidentiality agreement or which you are legally required to maintain in confidence.
 - b. "Third party corporate data" does not mean or include "personally identifying information" or "personally sensitive information".
34. "Unauthorized access incident" means the gaining of access to a "computer system" by:
- a. An unauthorized person or persons; or
 - b. An authorized person or persons for unauthorized purposes.
35. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary, or other compensation by you or anyone else for their work performed for you.
36. "Wrongful act" means any actual or alleged act, error, omission, misstatement, misleading statement, neglect, or

breach of duty by any insured but only while acting within the scope of their duties, related to the operations of the Condominium or Homeowners Association.

37. "Wrongful transfer event" means an intentional and criminal deception of you or a financial institution with which you have an account. The deception must be perpetrated by a person who is not an "employee", executive, or "independent contractor" using email, facsimile, or telephone communications to induce you or the financial institution to send or divert "money", securities, or tangible property. The deception must result in direct financial loss to you.

"Wrongful transfer event" does not mean or include any occurrence:

- a. In which you are threatened or coerced to send money or divert a payment; or
- b. Arising from a dispute or disagreement over the completeness, authenticity, or value of a product, a service, or a financial instrument.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EMPLOYEE DISHONESTY - INCREASED COVERAGE

This endorsement modifies insurance provided under the following:

ERIESECURE BUSINESS PROPERTY COVERAGE PART

- A. With respect to coverage provided by this endorsement, the following is added under Paragraph **B. of Section VI - Extensions of Coverage - Employee Dishonesty**:

The \$10,000 Amount of Insurance for which we will pay under Paragraph **B. of Section VI - Extensions of Coverage - Employee Dishonesty** is increased by the Amount of Insurance shown in the "Declarations".

The maximum Amount of Insurance we will pay for any one "loss" is:

1. The \$10,000 Amount of Insurance shown in the ErieSecure Business Property Coverage Part under Paragraph **B. of Section VI - Extensions of Coverage - Employee Dishonesty**; and
 2. The increased Amount of Insurance shown in the "Declarations".
- B. With respect to coverage provided by this endorsement, the following Paragraph under Paragraph **B. of Section VI - Extensions of Coverage - Employee Dishonesty** is deleted:

A \$200 deductible applies to this extension.

- C. With respect to coverage provided by this endorsement, the following is added under Paragraph **B. of Section VI - Extensions of Coverage - Employee Dishonesty**:

We will pay the amount of "loss" in any one occurrence which is in excess of the deductible amount shown in the "Declarations".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - LEAD LIABILITY

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

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

Lead Liability

This insurance does not apply to:

1. Actual or alleged "bodily injury" arising out of the ingestion, inhalation, or absorption of lead or lead compounds in any form.
2. Actual or alleged "bodily injury" or "property damage" arising out of any form of lead or lead compounds.
3. Any legal obligation of the insured for indemnification or contribution due to damages arising out of "bodily injury" or "property damage" caused by lead, resulting from paint containing lead or contributed to by any other substance or material containing lead.
4. "Bodily injury" or "property damage" arising out of the actual or alleged:
 - a. Exposure to or existence of lead, paint containing lead, or any other material or substance containing lead; or
 - b. Manufacture, distribution, sale, resale, rebranding, installation, repair, removal, encapsulation, abatement, replacement, or handling of lead, paint containing lead, or any other material or substance containing lead;

whether or not the lead is now or was at any time airborne as a particle, contained as a product, ingested, inhaled, transmitted in any fashion, or found in any form whatsoever.
5. Any loss, cost, or expense arising out of any:
 - a. Request, demand, or order that the insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of lead or lead compounds; or
 - b. Claim or "suit" by or on behalf of any governmental authority for damages resulting from testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of lead or lead compounds in any form.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – DATA BREACH RESPONSE EXPENSES

This endorsement modifies insurance provided under the following:

ERIESECURE BUSINESS PROPERTY COVERAGE PART

Under **Section VI – B. Extensions of Coverage, Data Breach Response Expenses** is deleted.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF MOBILE EQUIPMENT DEFINITION

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

- A. Exclusion **g.** under **Section I - Coverage A - Bodily Injury And Property Damage Liability** is deleted and replaced by the following:

g. Aircraft, Auto Or Watercraft

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

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

This exclusion does not apply to:

- 1) A watercraft while ashore on premises you own or rent;
- 2) A watercraft you do not own that is:
 - a) Less than 26 feet long; and
 - b) Not being used to carry persons or property for a charge;
- 3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- 4) Liability assumed under any "insured contract" for the ownership, maintenance, or use of aircraft or watercraft; or
- 5) "Bodily injury" or "property damage" arising out of the operation of any equipment listed in Paragraph **f.2)** or **f.3)** of the definition of "mobile equipment"; or

- 6) "Bodily injury" or "property damage" arising out of the operation of machinery or equipment that is attached to or part of a land motor vehicle that would qualify under the definition of "mobile equipment" if it were not described in the Declarations of a motor vehicle liability policy for liability coverage.

- B. Paragraph **12.** of **Section V - Definitions** is deleted and replaced by the following:

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

- a. Bulldozers, farm machinery, forklifts, and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - 1) Power cranes, shovels, loaders, diggers, or drills; or
 - 2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in Paragraph **a., b., c. or d.** above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - 1) Air compressors, pumps, and generators, including spraying, welding, building cleaning, geophysical exploration, lighting, and well servicing equipment; or
 - 2) Cherry pickers and similar devices used to raise or lower workers;

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

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

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

However, "mobile equipment" does not include any land vehicle that is described in the Declarations of a motor vehicle liability policy for liability coverage. "Mobile equipment" that is described in the Declarations of a motor vehicle liability policy for liability coverage is considered an "auto".

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COVERAGE FOR PUNITIVE DAMAGES

KY, MD, NC, TN, VA, WI, WV

This endorsement modifies the insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

A. Section I - Coverage A - Bodily Injury And Property Damage Liability - Paragraph 1. Insuring Agreement is deleted and replaced by the following:

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages, including punitive or exemplary damages to the extent allowed by law, because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:
 - 1) The amount we will pay for damages is limited as described in **Section III - Limits of Insurance**; and
 - 2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

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

- b. This insurance applies to "bodily injury" and "property damage" only if:
 - 1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
 - 2) The "bodily injury" or "property damage" occurs during the policy period; and
 - 3) Prior to the policy period, no insured listed under Paragraph 1. of **Section II - Who Is An Insured** and no "employee" authorized

by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of **Section II - Who Is An Insured** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.
- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of **Section II - Who Is An Insured** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim.
 - 1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
 - 2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
 - 3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.
- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services, or death resulting at any time from the "bodily injury".

B. Section I - Coverage B - Personal And Advertising Injury Liability- Paragraph **1. Insuring Agreement** is deleted and replaced by the following:

1. Insuring Agreement

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

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

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

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

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

CYBER SUITE COVERAGE

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

Throughout this Coverage Form (hereinafter referred to as "Cyber Coverage"), the words "you" and "your" refer to the Named Insured(s) shown in the Declarations and any other person(s) or organization(s) qualifying as a Named Insured under this Coverage Form. The words "we", "us", and "our" refer to the company providing this insurance.

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

Other words and phrases that appear in quotations have special meaning. Refer to **Section VII – CYBER SUITE COVERAGE DEFINITIONS**.

The terms and conditions of the Cancellation Clause of the ErieSecure Business General Policy Conditions and any amendment to such terms incorporated by endorsement are hereby incorporated herein and shall apply to coverage as is afforded by this Cyber Coverage, unless specifically stated otherwise in an endorsement(s) attached hereto.

SECTION I – COVERAGES

1. Data Breach Response Expenses

- a. Data Breach Response Expenses applies only if all of the following conditions are met:
 - 1) There has been a "personal data breach";
 - 2) Such "personal data breach" took place in the "coverage territory";
 - 3) Such "personal data breach" is first discovered by you during the "policy period"; and
 - 4) Such "personal data breach" is reported to us as soon as practicable, but in no event more than sixty (60) days after the date it is first discovered by you.
- b. If the conditions listed in **a.** above have been met, then we will provide coverage for the following expenses when they arise directly from such "personal data breach" and are necessary and reasonable. Items **4)** and **5)** below apply only if there has been a notification of the "personal data breach" to "affected individuals" as covered under item **3)** below.

1) Forensic IT Review

We will pay for a professional information technologies review if needed to determine, within the constraints of what is possible and reasonable, the nature and extent of the "personal data breach" and the number and identities of the "affected in-

dividuals". This includes, when necessary, the cost of a qualified Payment Card Forensic Investigator.

This does not include costs to analyze, research, or determine any of the following:

- a) Vulnerabilities in systems, procedures, or physical security; or
- b) The nature or extent of "loss" or damage to data that is not "personally identifying information" or "personally sensitive information".

If there is reasonable cause to suspect that a covered "personal data breach" may have occurred, we will pay for costs covered under Forensic IT Review, even if it is eventually determined that there was no covered "personal data breach". However, once it is determined that there was no covered "personal data breach", we will not pay for any further costs.

2) Legal Review

We will pay for a professional legal counsel review of the "personal data breach" and how you should best respond to it.

If there is reasonable cause to suspect that a covered "personal data breach" may have occurred, we will pay for costs covered under Legal Review, even if it is eventually determined that there was no covered "personal data breach". However, once it is determined that there was no covered "personal data breach", we will not pay for any further costs.

3) Notification to Affected Individuals

We will pay your necessary and reasonable costs to provide notification of the "personal data breach" to "affected individuals".

4) Services to Affected Individuals

We will pay your necessary and reasonable costs to provide the following services to "affected individuals". Services **c)** and **d)** below apply only to "affected individuals" from "personal data breach" events involving "personally identifying information".

a) Informational Materials

A packet of loss prevention and customer support information.

b) Help Line

A toll-free telephone line for "affected individuals" with questions about the "personal data breach". Where applicable, the line can also be used to request additional services as listed in **c)** and **d)** below.

c) Credit Report and Monitoring

A credit report and an electronic service automatically monitoring for activities affecting an individual's credit records. This service is subject to the "affected individual" enrolling for this service with the designated service provider.

d) Identity Restoration Case Management

As respects any "affected individual" who is or appears to be a victim of "identity theft" that may reasonably have arisen from the "personal data breach", the services of an identity restoration professional who will assist that "affected individual" through the process of correcting credit and other records and, within the constraints of what is possible and reasonable, restoring control over his or her personal identity.

5) Public Relations

We will pay for a professional public relations firm review of, and response to, the potential impact of the "personal data breach" on your business relationships.

This includes necessary and reasonable costs to implement public relations recommendations of such firm. This may include advertising and special promotions designed to retain your relationship with "affected individuals". However, we will not pay for:

- a) Promotions provided to any of your directors or employees; or
- b) Promotion costs exceeding \$25 per "affected individual".

6) Regulatory Fines and Penalties

We will pay for any fine or penalty imposed by law, to the extent such fine or penalty is legally insurable under the law of the applicable jurisdiction. This includes, but is not limited to, fines and penalties imposed for the violation of the European Union General Data Protection Regulation, the California Consumer Privacy Act, and similar laws.

7) PCI Assessments, Fines and Penalties

We will pay for any Payment Card Industry assessments, fines, and penalties imposed on you under a contract to which you are a party.

This does not include any:

- a) Increased transaction costs;
- b) Any assessments, fines, and penalties not arising from a covered "personal data breach";
- c) Interchange fees;
- d) Chargebacks;
- e) Subsequent assessments, fines, and penalties imposed due to continued PCI non-compliance; or
- f) Any portion of such amount that has been or can reasonably be expected to be reimbursed by a third party, such as a financial institution.

8) Reputational Harm

This Reputational Harm coverage applies only if there has been a "personal data breach" for which you provided notifications and services to "affected individuals" in consultation with us pursuant to **b.3)** and **b.4)** above.

If the conditions listed in **a)** above have been met, then we will pay your necessary and reasonable "reputational harm costs" incurred during the "period of indemnification" and arising directly from the "personal data breach".

9) Reward Payments

We will pay for any necessary and reasonable "reward payments" offered and made by you in response to a "personal data breach".

2. Computer Attack

- a. Computer Attack applies only if all of the following conditions are met:

- 1) There has been a "computer attack";
- 2) Such "computer attack" occurred in the "coverage territory";
- 3) Such "computer attack" is first discovered by you during the "policy period";
- 4) Such "computer attack" is reported to us as soon as practicable, but in no event more than sixty (60) days after the date it is first discovered by you.

- b. If the conditions listed in **a.** above have been met, then we will provide you the following coverages for "loss" directly arising from such "computer attack".

1) Data Restoration

We will pay your necessary and reasonable "data restoration costs".

2) **Data Re-creation**

We will pay your necessary and reasonable "data re-creation cost".

3) **System Restoration**

We will pay your necessary and reasonable "system restoration costs".

4) **Loss of Business**

We will pay your actual "business income and extra expense loss" incurred during the "period of restoration". This includes your actual "business income and extra expense loss" caused by a voluntary shutdown of your "computer system" in connection with your reasonable efforts to stop, mitigate the effects of, or recover from, such a "computer attack".

5) **Extended Income Recovery**

If you suffer a covered "business income and extra expense loss" resulting from a "computer attack" on a "computer system" owned or leased by you and operated under your control, we will pay your actual "extended income loss".

6) **Public Relations**

If you suffer a covered "business income and extra expense loss", we will pay for the services of a professional public relations firm to assist you in communicating your response to the "computer attack" to the media, the public, and your customers, clients, or members.

7) **Future Loss Avoidance**

If you received a loss payment from us under Coverage 2. **Computer Attack**, we will pay your necessary and reasonable "future loss avoidance costs".

8) **Reward Payments**

We will pay for any necessary and reasonable "reward payments" offered and made by you in response to a "computer attack".

3. **Cyber Extortion**

a. Cyber Extortion applies only if all of the following conditions are met:

- 1) There has been a "cyber extortion threat";
- 2) Such "cyber extortion threat" is first made against you during the "policy period"; and
- 3) Such "cyber extortion threat" is reported to us as soon as practicable, but in no event more than sixty (60) days after the date it is first made against you.

b. If the conditions listed in a. above have been met, then we will pay for your necessary and reasonable "cyber extortion expenses" arising directly from such "cyber extortion threat" and any necessary and reasonable "reward payments" offered and made by you in response to a "cyber extortion threat".

The payment of "cyber extortion expenses" must be approved in advance by us. We will not pay for "cyber extortion expenses" that have not been approved in advance by us. We will not unreasonably withhold our approval.

c. You must make every reasonable effort not to divulge the existence of this Cyber Extortion coverage.

4. **Misdirected Payment Fraud**

a. Misdirected Payment Fraud applies only if all of the following conditions are met:

- 1) There has been a "wrongful transfer event" against you;
- 2) Such "wrongful transfer event" took place in the "coverage territory";
- 3) Such "wrongful transfer event" is first discovered by you during the "policy period";
- 4) Such "wrongful transfer event" is reported to us as soon as practicable, but in no event more than sixty (60) days after the date it is first discovered by you; and
- 5) Such "wrongful transfer event" is reported in writing by you to the police.

b. If the conditions listed above in a. above have been met, then we will pay your necessary and reasonable "wrongful transfer costs" arising directly from the "wrongful transfer event" and any necessary and reasonable "reward payments" offered and made by you in response to a "wrongful transfer event".

5. **Computer Fraud**

a. Computer Fraud applies only if all of the following conditions are met:

- 1) There has been a "computer fraud event" against you;
- 2) Such "computer fraud event" took place in the "coverage territory";
- 3) Such "computer fraud event" is first discovered by you during the "policy period";
- 4) Such "computer fraud event" is reported to us within sixty (60) days after the date it is first discovered by you; and
- 5) Such "computer fraud event" is reported in writing by you to the police.

- b. If the conditions listed in **a.** above have been met, then we will pay your necessary and reasonable "computer fraud costs" arising directly from the "computer fraud event" and any necessary and reasonable "reward payments" offered and made by you in response to a "computer fraud event".

6. Telecommunications Fraud

- a. Telecommunications Fraud applies only if all of the following conditions are met:
 - 1) There has been a "computer attack" on a "telecommunications system" that is owned or leased by you and operated under your control;
 - 2) Such "computer attack" took place in the "coverage territory";
 - 3) Such "computer attack" is first discovered by you during the "policy period";
 - 4) Such "computer attack" is reported to us within sixty (60) days after the date it is first discovered by you;
 - 5) Such "computer attack" is reported in writing by you to the police; and
 - 6) As a result of such "computer attack", there have been "telecommunications fraud costs".
- b. If the conditions listed in **a.** above have been met, then we will pay your necessary and reasonable "telecommunications fraud costs" arising directly from the "computer attack".

7. Privacy Incident Liability

- a. Privacy Incident Liability applies only if all of the following conditions are met:
 - 1) During the "policy period" or any applicable Extended Reporting Period, you first receive notice of one of the following:
 - a) A "claim"; or
 - b) A "regulatory proceeding".
 - 2) Such "claim" or "regulatory proceeding" must arise from a "privacy incident" that:
 - a) Took place during the "coverage term";
 - b) Took place in the "coverage territory"; and
 - c) Was submitted to us and insured under Data Breach Response Expenses.
 - 3) Such "claim" or "regulatory proceeding" is reported to us as soon as practicable, but in no event more than sixty (60) days after the date it is first received by you.
- b. If the conditions listed in **a.** above have been met, then we will pay on your behalf any covered:

- 1) "Loss" directly arising from the "claim"; or
 - 2) "Defense costs" directly arising from a "regulatory proceeding".
- c. All "claims" and "regulatory proceedings" arising from a single "privacy incident" or interrelated "privacy incidents" will be deemed to have been made at the time that notice of the first of those "claims" or "regulatory proceedings" is received by you.

8. Network Security Liability

- a. Network Security Liability applies only if all of the following conditions are met:
 - 1) During the "policy period" or any applicable Extended Reporting Period, you first receive notice of a "claim" which arises from a "network security incident" that:
 - a) Took place during the "coverage term"; and
 - b) Took place in the "coverage territory"; and
 - 2) Such "claim" is reported to us as soon as practicable, but in no event more than sixty (60) days after the date it is first received by you:
- b. If the conditions listed in **a.** above have been met, then we will pay on your behalf any covered "loss" directly arising from the "claim".
- c. All "claims" arising from a single "network security incident" or interrelated "network security incidents" will be deemed to have been made at the time that notice of the first of those "claims" is received by you.

9. Electronic Media Liability

- a. Electronic Media Liability applies only if all of the following conditions are met:
 - 1) During the "policy period" or any applicable Extended Reporting Period, you first receive notice of a "claim" which arises from an "electronic media incident" that:
 - a) Took place during the "coverage term"; and
 - b) Took place in the "coverage territory"; and
 - 2) Such "claim" is reported to us as soon as practicable, but in no event more than sixty (60) days after the date it is first received by you:
- b. If the conditions listed in **a.** above have been met, then we will pay on your behalf any covered "loss" directly arising from the "claim".
- c. All "claims" arising from a single "electronic media incident" or interrelated "electronic media incidents" will be deemed to have been made at the time that notice of the first of those "claims" is received by you.

SECTION II – EXCLUSIONS

This Insurance does not apply to:

1. Nuclear reaction or radiation or radioactive contamination, however caused.
2. War and hostile action, including any of the following and any consequence of any of the following:
 - a. Cyber warfare, whether or not occurring in combination with physical combat;
 - b. Undeclared war;
 - c. Civil war;
 - d. Hostile action by military force or cyber measures, including action in hindering or defending against an actual or expected attack, by any "Combatant"; or
 - e. Insurrection, rebellion, revolution, usurped power, political violence, or action taken by governmental authority in hindering or defending against any of these, including cyber action in connection with any of the foregoing.

For the purposes of this exclusion, cyber warfare, cyber measures, and cyber action include, but are not limited to, the use of disruptive digital activities against a computer network or system with the intention to cause harm in order to further political or similar objectives, or to intimidate any person(s) in furtherance of such objectives, committed by a "Combatant".

The attribution of an action to a "Combatant" will be determined by relying on reasonable evidence such as:

- a. Statements by an impacted government, sovereign, or other authority;
- b. Statements by widely recognized international bodies (such as the United Nations) or alliances (such as the North Atlantic Treaty Organization); or
- c. Consensus opinion within relevant expert communities such as the cyber security industry.

Decisions about the presence or absence of war, hostile action, and other terms used in this exclusion will take into consideration the full range of available tactics, weapons, and technologies at the time of the event giving rise to the "loss".

3. Total or partial failure or interruption of, reduction in performance of, or damage to, any electrical power supply network or telecommunications network not owned and operated by you including, but not limited to, satellites, the internet, internet service providers, Domain Name System (DNS) service providers, cable and wireless providers, internet exchange providers, search engine providers, internet protocol networks (and similar networks that may have different designations), and other providers of telecommunications or internet infrastructure.

4. Any attack on, incident involving, or loss to any computer or system of computers that is not a "computer system".
5. Costs to research or correct any deficiency.
6. Any fines or penalties other than those explicitly covered under Data Breach Response Expenses.
7. Any criminal investigations or proceedings.
8. Your intentional or willful complicity in a covered "loss" event.
9. Your reckless disregard for the security of your "computer system" or data, including confidential or sensitive information of others in your care, custody, or control.
10. Any liability arising out of any dishonest, fraudulent, criminal, or malicious act by or at the direction of any insured. However, to the extent that a "claim" or "suit" is otherwise covered under this Coverage Form, we will defend a "claim" or "suit" asserting a dishonest, fraudulent, or malicious act until such time as the insured is determined to have committed such dishonest, fraudulent, or malicious act.

The "wrongful act(s)" of an insured shall not be imputed to any other insured for the purpose of determining the applicability of this exclusion.

11. Any liability arising out any "personal data breach", "computer attack", cyber extortion threat", "wrongful transfer event", "computer fraud event", or "wrongful act" which an insured:
 - a. Had knowledge of; or
 - b. Could have reasonably foreseen might result in a "claim" or "suit"and which were known to the insured prior to the effective date of this Cyber Coverage or the first Cyber Coverage issued by us for which this Cyber Coverage is an uninterrupted renewal.
12. Any liability of others assumed by the insured under any contract or agreement, whether oral or in writing.

This exclusion, however, shall not apply to any liability for damages that the insured would have in the absence of such contract or agreement
13. Any liability arising out of the facts alleged, or to the same "wrongful employment acts" alleged or contained in any "claim" or "suit" which has been reported, or in any circumstances for which notice has been given, under any policy for which this Cyber Coverage is a renewal or replacement.
14. Any liability arising out of any prior:
 - a. Litigation; or
 - b. Administrative or regulatory proceeding or investigation

for which an insured had notice, or alleging the same "wrongful acts" alleged or contained in such pending or prior litigation or administrative or "regulatory proceeding" or investigation which the insured had knowledge of prior to the effective date of this Cyber Coverage or the first Cyber Coverage issued by us for which this Cyber Coverage is an uninterrupted renewal.

15. That part of any "claim" seeking any non-monetary relief.

However, this exclusion does not apply to "defense costs" arising from an otherwise insured "wrongful act".

16. The propagation or forwarding of malware, including viruses, worms, Trojans, spyware, and keyloggers in connection with hardware or software created, produced, or modified by you for sale, lease, or license to third parties.

17. Any "claim" or "loss" alleging, arising out of, based upon or attributable to, or brought by or on behalf of any federal, state, or legal government agency or professional or trade licensing organizations or the enforcement of any governmental law, ordinance, regulation, or rule; however, this exclusion shall not apply to:

- a. Actions or proceedings brought by a governmental authority or regulatory agency acting solely in its capacity as your customer;
- b. "Regulatory proceedings" insured under Paragraph 7. **Privacy Incident Liability** under **Section I – Coverages**; or
- c. Any fine or penalty imposed by law which arises from a covered "personal data breach".

18. Any "loss" or liability arising out of "pollutants or contaminants" or the presence of or the actual, alleged, or threatened discharge, dispersal, release, or escape of "pollutants or contaminants", or any direction or request to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize "pollutants or contaminants", or in any way respond to or assess the effects of "pollutants or contaminants".

19. Any oral or written publication of material, if done by you or at your direction with knowledge of its falsity.

20. "Property damage" or "bodily injury" other than mental anguish or mental injury alleged in a "claim" covered under Privacy Incident Liability, Network Security Liability, or Electronic Media Liability.

21. This insurance does not apply to:

- a. Any "future loss avoidance costs" incurred after this policy has been cancelled or non-renewed by either you or us.
- b. The salaries or wages of your "employees" or "executives", or your loss of earnings.

22. Any amount not insurable under applicable law.

23. Any provision of coverage under this Cyber Coverage to the extent that such provision would expose us or you to a

violation of economic or trade sanctions, laws or regulations of the United States of America or any other jurisdiction with whose laws we are legally obligated to comply.

24. Any liability arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- a. Any federal, state, or local statute, ordinance, regulation, or other law that addresses, prohibits, or limits access to, use of, or the printing, dissemination, disposal, obtaining, collecting, storing, safeguarding, recording, retention, sending, transmitting, communicating, selling, or distribution of any person's or organization's confidential or personal material or information, including financial, health, biometric, or other nonpublic material or information.

Any such federal, state, or local statute, ordinance, regulation, or other law includes, but is not limited to:

- 1) The Illinois Biometric Information Privacy Act (BIPA), including any amendment of or addition to such law; or
- 2) The California Consumer Privacy Act (CCPA), including any amendment of or addition to such law; or

- b. Any law of a jurisdiction other than the United States of America (including its territories and possessions) or Puerto Rico that is similar to any statute, ordinance, regulation, or other law described in Paragraph a. above, including but not limited to the European Union's General Data Protection Regulation.

SECTION III – WHO IS AN INSURED

1. For purposes of this insurance, if you are designated in the Declarations as:

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

2. Each of the following is also an insured:

- a. Your current or former "employees", executive officers, and directors are insureds, but only for acts within the scope of their employment by you or while performing duties with respect to the conduct of your business or with respect to their duties as executive officers or directors.
 - b. Estates, heirs, or legal representative of deceased individual insureds, and the legal representatives of individual insureds, in the event of incompetency, who were individual insureds at the time the "wrongful employment acts", upon which such "claims" or "suits" are based, were committed.
3. Any organization you newly acquire or form, other than a partnership, joint venture, or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
 - a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the "policy period", whichever is earlier;
 - b. Coverage does not apply to "wrongful employment acts" that were committed or existed before you acquired or formed the organization; and
 - c. The organization must be engaged in the business capacity described in the Declarations.

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

SECTION IV – LIMITS OF INSURANCE

1. Aggregate Limits.

Except for post-judgment interest, the Cyber Suite Annual Aggregate Limit shown in the Declarations is the most we will pay for all "loss" under all applicable coverage sections, in any one "policy period" or any applicable Extended Reporting Period. The Cyber Suite Annual Aggregate Limit shown in the Declarations applies regardless of the number of insured events first discovered or "claims" or "regulatory proceedings" first received during the "policy period" or any applicable Extended Reporting Period.

2. Coverage Sublimits

a. Data Breach Sublimits

The most we will pay under Data Breach Response Expenses for Public Relations and Reputational Harm coverages for "loss" arising from any one "personal data breach" is the applicable sublimit for each of those coverages shown in the Declarations.

These sublimits are part of, and not in addition to, the Cyber Suite Annual Aggregate Limit shown in the Declarations. Public Relations coverage is also subject

to a limit per "affected individual" as described in **Section I – Coverages 1.b.5).**

b. Computer Attack Sublimit

The most we will pay under Computer Attack for Public Relations coverage for "loss" arising from any one "computer attack" is the applicable Public Relations sublimit shown in the Declarations. This sublimit is part of, and not in addition to, the Cyber Suite Annual Aggregate Limit shown in the Declarations.

c. Cyber Extortion Sublimit

The most we will pay under Cyber Extortion coverage for "loss" arising from one "cyber extortion threat" is the applicable sublimit shown in the Declarations. This sublimit is part of, and not in addition to, the Cyber Suite Annual Aggregate Limit shown in the Declarations.

d. Misdirected Payment Fraud Sublimit

The most we will pay under Misdirected Payment Fraud coverage for "loss" arising from one "wrongful transfer event" is the applicable sublimit shown in the Declarations. This sublimit is part of, and not in addition to, the Cyber Suite Annual Aggregate Limit shown in the Declarations.

e. Computer Fraud Sublimit

The most we will pay under Computer Fraud coverage for "loss" arising from one "computer fraud event" is the applicable sublimit shown in the Declarations. This sublimit is part of, and not in addition to, the Cyber Suite Annual Aggregate Limit shown in the Declarations.

f. Telecommunications Fraud Sublimit

The most we will pay under Telecommunications Fraud coverage for "loss" arising from one "computer attack" on a "telecommunications system" is the applicable limit shown in the Declarations. This sublimit is part of, and not in addition to, the Cyber Suite Annual Aggregate Limit shown in the Declarations.

g. Reward Payments Sublimit

The Reward Payment sublimit shown in the Declarations is the most we will pay for all "reward payments" resulting from a "personal data breach", "computer attack", "cyber extortion threat", "wrongful transfer event", or "computer fraud event" in any one "policy period".

This sublimit is a part of, and not in addition to, the Cyber Suite Annual Aggregate Limit shown in the Declarations.

3. Application of Limits

- c. A "computer attack", "cyber extortion threat", "personal data breach", "wrongful transfer event", or

"computer fraud event" may be first discovered by you in one "policy period" but it may cause insured "loss" in one or more subsequent "policy periods". If so, all insured "loss" arising from such "computer attack", "cyber extortion threat", "personal data breach", "wrongful transfer event", or "computer fraud event" will be subject to the limit of insurance applicable to the "policy period" when the "computer attack", "cyber extortion threat", "personal data breach", "wrongful transfer event", or "computer fraud event" was first discovered by you.

- d. You may first receive notice of a "claim" or "regulatory proceeding" in one "policy period" but it may cause insured "loss" in one or more subsequent "policy periods". If so, all insured "loss" arising from such "claim" or "regulatory proceeding" will be subject to the limit of insurance applicable to the "policy period" when notice of the "claim" or "regulatory proceeding" was first received by you.
- e. The limit of insurance for the Extended Reporting Periods (if applicable) will be part of, and not in addition to, the limit of insurance for the immediately preceding "policy period".
- f. Coverage for Services to Affected Individuals under Data Breach Response Expenses is limited to costs to provide such services for a period of up to one year from the date of the notification to the "affected individuals". Notwithstanding, coverage for Identity Restoration Case Management services initiated within such one year period may continue for a period of up to one year from the date such Identity Restoration Case Management services are initiated.

SECTION IV – DEDUCTIBLES

- 1. We will not pay for "loss" until the amount of the insured "loss" exceeds the deductible amount shown in the Declarations. We will then pay the amount of "loss" in excess of the applicable deductible amount, subject to the applicable limits shown in the Declarations. You will be responsible for the applicable deductible amount
- 2. The deductible will apply to all:
 - a. "Loss" arising from the same insured event or interrelated insured events under Data Breach Response Expenses, Computer Attack, Cyber Extortion, Misdirected Payment Fraud, Computer Fraud, or Telecommunications Fraud coverage.
 - b. "Loss" resulting from the same "wrongful act" or interrelated "wrongful acts" insured under Privacy Incident Liability, Network Security Liability, or Electronic Media Liability.

- 3. In the event that "loss" is insured under more than one coverage section, only the single highest deductible applies.

SECTION VI – CYBER SUITE COVERAGE CONDITIONS

1. Additional Policy Protection

We may, from time to time, offer or arrange to provide benefits specific to one of our risk management benefits which include but are not limited to devices, equipment, services, or benefits provided by either us or a third party vendor selected by us. These services or products are designed to mitigate loss, provide loss control, assess risk, identify sources of risk, or develop strategies for eliminating or reducing risk. The benefits are intended to enhance the safety, value, usability, life, or protection of you or your insurable assets. Such products or services must be provided by us or by a third party vendor that has an agreement or contract with us. We do not warrant the merchantability, fitness, or quality of any product or service offered or provided by that organization.

2. Bankruptcy

The bankruptcy or insolvency of you or your estate, will not relieve you or us of any obligation under this Cyber Coverage.

3. Defense and Settlement

- a. We shall have the right and the duty to assume the defense of any applicable "claim" or "regulatory proceeding" against you. You shall give us such information and cooperation as we may reasonably require.
- b. You shall not admit liability for or settle any "claim" or "regulatory proceeding" or incur any defense costs without our prior written consent.
- c. At the time a "claim" or "regulatory proceeding" is first reported to us, you may request that we appoint a defense attorney of your choice. We will give full consideration to any such request.
- d. We will not be obligated to pay any "loss" or "defense costs", or to defend or continue to defend any "claim" or "regulatory proceeding" after the applicable limit of insurance has been exhausted.
- e. We will pay all interest on that amount of any judgment within the applicable limit of insurance which accrues:
 - 1) After entry of judgment; and
 - 2) Before we pay, offer to pay, or deposit in court that part of the judgment within the applicable limit of insurance or, in any case, before we pay or offer to pay the entire applicable limit of insurance.

These interest payments will be in addition to and not part of the applicable limit of insurance.

- f. We may, with your written consent, make any settlement of a "claim" or "regulatory proceeding" which we deem reasonable. If you refuse to consent to any settlement recommended by us and acceptable to the claimant or plaintiff, our liability for all "settlement costs" and "defense costs" resulting from such "claim" or "regulatory proceeding" will not exceed the following:

- 1) The amount for which we could have settled such "claim" or "regulatory proceeding" plus "defense costs" incurred as of the date we proposed such settlement in writing to you; plus
- 2) 80% of any "settlement costs" and "defense costs" incurred after the date of such proposed settlement;

subject to the applicable limits.

4. Due Diligence

You agree to use due diligence to prevent and mitigate "loss" insured under this Cyber Coverage. This includes, but is not limited to, complying with, and requiring your vendors to comply with, reasonable and industry-accepted protocols for:

- a. Providing and maintaining appropriate physical security for your premises, "computer systems", and hard copy files;
- b. Providing and maintaining appropriate computer and Internet security;
- c. Maintaining and updating at appropriate intervals backups of computer data;
- d. Protecting transactions, such as processing credit card, debit card, and check payments; and
- e. Appropriate disposal of files containing "personally identifying information", "personally sensitive information", or "third party corporate data", including shredding hard copy files and destroying physical media used to store electronic data.

5. Duties in the Event of a Claim, Regulatory Proceeding, or Loss

- a. If, during the "policy period", incidents or events occur which you reasonably believe may give rise to a "claim" or "regulatory proceeding" for which coverage may be provided hereunder, such belief being based upon either written notice from the potential claimant or the potential claimant's representative; or notice of a complaint filed with a federal, state, or local agency; or upon an oral "claim", allegation, or threat, you shall give written notice to us as soon as practicable and either:

- 1) Anytime during the "policy period"; or
 - 2) Anytime during the extended reporting periods (if applicable).
- b. If a "claim" or "regulatory proceeding" is brought against you, you must:
- 1) Immediately record the specifics of the "claim" or "regulatory proceeding" and the date received;
 - 2) Provide us with written notice, as soon as practicable, but in no event more than sixty (60) days after the date the "claim" or "regulatory proceeding" is first received by you;
 - 3) Immediately send us copies of any demands, notices, summonses, or legal papers received in connection with the "claim" or "regulatory proceeding";
 - 4) Authorize us to obtain records and other information;
 - 5) Cooperate with us in the investigation, settlement, or defense of the "claim" or "regulatory proceeding";
 - 6) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to you because of "loss" or "defense costs" to which this insurance may also apply; and
 - 7) Not take any action, or fail to take any required action, that prejudices your rights or our rights with respect to such "claim" or "regulatory proceeding".
- c. In the event of a "personal data breach", "computer attack", "cyber extortion threat", "wrongful transfer event", or "computer fraud event" insured under this Cyber Coverage, you must see that the following are done:
- 1) Immediately record the specifics of the "claim" or "regulatory proceeding" and the date received;
 - 2) Notify us as soon as practicable, but in no event more than sixty (60) days after the "personal data breach", "computer attack", "cyber extortion threat", "wrongful transfer event", or "computer fraud event". Include a description of any property involved.
 - 3) As soon as possible, give us a description of how, when, and where the "personal data breach", "computer attack", "cyber extortion threat", "wrongful transfer event", or "computer fraud event" occurred.
 - 4) As often as may be reasonably required, permit us to:

- a) Inspect the property proving the "personal data breach", "computer attack", "cyber extortion threat", "wrongful transfer event", or "computer fraud event";
 - b) Examine your books, records, electronic media, and records and hardware;
 - c) Take samples of damaged and undamaged property for inspection, testing, and analysis; and
 - d) Make copies from your books, records, electronic media, and records and hardware.
- 5) Send us signed, sworn proof of "loss" containing the information we request to investigate the "personal data breach", "computer attack", "cyber extortion threat", "wrongful transfer event", or "computer fraud event". You must do this within sixty (60) days after our request. We will supply you with the necessary forms.
 - 6) Cooperate with us in the investigation or settlement of the "personal data breach", "computer attack", "cyber extortion threat", "wrongful transfer event", or "computer fraud event".
 - 7) If you intend to continue your business, you must resume all or part of your operations as quickly as possible.
 - 8) Make no statement that will assume any obligation or admit any liability, for any "loss" for which we may be liable, without our prior written consent.
 - 9) Promptly send us any legal papers or notices received concerning the "loss".
- d. We may examine you under oath at such times as may be reasonably required, about any matter relating to this insurance or the "claim", "regulatory proceeding", or "loss", including your books and records. In the event of an examination, your answers must be signed.
 - e. You may not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our prior written consent.

6. Extended Reporting Periods

- a. You will have the right to the Extended Reporting Periods described in this section, in the event of a "termination of coverage".
- b. If a "termination of coverage" has occurred, you will have the right to the following:
 - 1) At no additional premium, an Automatic Extended Reporting Period of thirty (30) days immediately following the effective date of the "termination of coverage" during which you may first receive notice of a "claim" or "regulatory proceeding" arising directly from a "wrongful act" occurring before the end of the "policy period" and which is otherwise insured by this Cyber Coverage; and

- 2) Upon payment of the additional premium of 100% of the full annual premium associated with the relevant coverage, a Supplemental Extended Reporting Period of one year immediately following the effective date of the "termination of coverage" during which you may first receive notice of a "claim" or "regulatory proceeding" arising directly from a "wrongful act" occurring before the end of the "policy period" and which is otherwise insured by this Cyber Coverage.

To obtain the Supplemental Extended Reporting Period, you must request it in writing and pay the additional premium due, within thirty (30) days after the effective date of "termination of coverage". The additional premium for the Supplemental Extended Reporting Period will be fully earned at the inception of the Supplemental Extended Reporting Period. If we do not receive the written request as required, you may not exercise this right at a later date.

This insurance, provided during the Supplemental Extended Reporting Period, is excess over any other valid and collectible insurance that begins or continues in effect after the Supplemental Extended Reporting Period becomes effective, whether the other insurance applies on a primary, excess, contingent, or any other basis.

7. Legal Action Against Us

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

- a. There has been full compliance with all of the terms of this insurance; and
- b. The action is brought within two years after the date the "loss" is first discovered by you, or the date on which you first receive notice of a "claim" or "regulatory proceeding".

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

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Cyber Coverage unless all of its terms have been fully complied with.

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

insured, and the claimant or the claimant's legal representative.

8. **Legal Advice**

We are not your legal advisor. Our determination of what is or is not insured under this Cyber Coverage does not represent advice or counsel from us about what you should or should not do.

9. **Other Insurance**

If there is other insurance that applies to the same "loss", this Cyber Coverage shall apply only as excess insurance after all other applicable insurance has been exhausted.

10. **Pre-Notification Consultation**

You agree to consult with us prior to the issuance of notification to "affected individuals". We assume no responsibility under Data Breach Response Expenses for any services promised to "affected individuals" without our prior agreement. If possible, this pre-notification consultation will also include the designated service provider(s) as agreed to under the Service Providers condition below. You must provide the following at our pre-notification consultation with you:

- a. The exact list of "affected individuals" to be notified, including contact information.
- b. Information about the "personal data breach" that may appropriately be communicated with "affected individuals".
- c. The scope of services that you desire for the "affected individuals". For example, coverage may be structured to provide fewer services in order to make those services available to more "affected individuals" without exceeding the available Data Breach Response Expenses limit of insurance.

11. **Representations**

By accepting this Cyber Coverage, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made us; and

We have issued this policy in reliance upon your representations.

12. **Separation of Insureds**

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

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom "claim" is made or "suit" is brought.

13. **Service Providers**

- a. We will only pay under this Cyber Coverage for services that are provided by service providers approved by us. You must obtain our prior approval for any service provider whose expenses you want covered under this Cyber Coverage. We will not unreasonably withhold such approval.
- b. Prior to the Pre-Notification Consultation described in the Pre-Notification Consultation Condition above, you must come to agreement with us regarding the service provider(s) to be used for the Notification to Affected Individuals and Services to Affected Individuals. We will suggest a service provider. If you prefer to use an alternate service provider, our coverage is subject to the following limitations:
 - 1) Such alternate service provider must be approved by us;
 - 2) Such alternate service provider must provide services that are reasonably equivalent or superior in both kind and quality to the services that would have been provided by the service provider we had suggested; and
 - 3) Our payment for services provided by any alternate service provider will not exceed the amount that we would have paid using the service provider we had suggested.

14. **Services**

The following conditions apply as respects any services provided to you or any "affected individual" by us, our designees, or any service firm paid for in whole or in part under this Cyber Coverage:

- a. The effectiveness of such services depends on the cooperation and assistance of you, "affected individuals".
- b. All services may not be available or applicable to all individuals. For example, "affected individuals" who are minors or foreign nationals may not have credit records that can be provided or monitored. Service in Canada will be different from service in the United States and Puerto Rico in accordance with local conditions
- c. We do not warrant or guarantee that the services will end or eliminate all problems associated with the covered events.
- d. You will have a direct relationship with the professional service firms paid for in whole or in part under this Cyber Coverage. Those firms work for you.

15. **Transfer of Rights of Recovery Against Others To Us**

If the insured has rights to recover all or part of any payment we have made under this Cyber Coverage, those rights are transferred to us. The insured must do nothing

after "loss" to impair them. At our request, the insured will bring "claim" or "suit" or transfer those rights to us and help us enforce them.

16. Valuation

We will determine the value of "money", "securities", cryptocurrency, and tangible property as follows:

- a. Our payment for loss of "money" or loss payable in "money" will be, at your option, in the "money" of the country in which the "computer fraud event", "cyber extortion threat", "reward payments", or "wrongful transfer event" took place or in the United States of America dollar equivalent thereof determined at the rate of exchange published by the Wall Street Journal at the time of payment of such "loss".
- b. Our payment for loss of "securities" will be their value at the close of business on the day the "computer fraud event" or the "wrongful transfer event" was discovered, or the day the "securities" were transferred by you in response to the "cyber extortion threat". At our option, we may:
 - 1) Pay the value of such "securities" to you or replace them in kind, in which event you must assign to us all of your rights, title, and interest in those "securities"; or
 - 2) Pay the cost of any Lost Securities Bond required in connection with issuing duplicates of the "securities"; provided that we will be liable only for the cost of the Lost Securities Bond as would be charged for a bond having a penalty not exceeding the lesser of the value of the "securities" at the close of business on the day the "computer fraud event", "cyber extortion threat", or "wrongful transfer event" was discovered.
- c. Our payment of cryptocurrency will be its value at the close of business on the day the cryptocurrency was transferred by you in response to the covered "cyber extortion threat".
- d. Our payment for the loss of tangible property will be the smallest of:
 - 1) The cost to replace the tangible property; or
 - 2) The amount you actually spend that is necessary to replace the tangible property.

We will not pay you on a replacement costs basis for any loss of tangible property until such property is actually replaced and unless the replacement is made as soon as reasonably possible after the "loss". If the lost property is not replaced as soon as reasonably possible after the "loss", we will pay you the actual cash value of the tangible property on the day the "computer fraud event", "cyber extortion threat", or "wrongful transfer event" was discovered.

SECTION VII – CYBER SUITE COVERAGE DEFINITIONS

1. **"Affected Individual"** means any person whose "personally identifying information" or "personally sensitive information" is lost, stolen, accidentally released, or accidentally published by a "personal data breach" covered under this Cyber Coverage. This definition is subject to the following provisions:
 - a. "Affected individual" does not include any business or organization. Only an individual person may be an "affected individual".
 - b. An "affected individual" may reside anywhere in the world.
2. **"Authorized Third Party User"** means a party who is not an employee or a director of you who is authorized by contract or other agreement to access the "computer system" for the receipt or delivery of services.
3. **"Bodily Injury"** means bodily injury, sickness, or disease sustained by a person, including death resulting from any of these at any time.
4. **"Business Income and Extra Expense Loss"** means loss of Business Income and Extra Expense.
 - a. As used in this definition, Business Income means the sum of:
 - 1) Net income (net profit or loss before income taxes) that would have been earned or incurred; and
 - 2) Continuing normal and necessary operating expenses incurred, including employee and director payroll.
 - b. As used in this definition, Extra Expense means the additional cost you incur to operate your business over and above the cost that you normally would have incurred to operate your business during the same period had no "computer attack" occurred.
5. **"Claim"**
 - a. "Claim" means:
 - 1) A written demand for monetary damages or non-monetary relief, including injunctive relief;
 - 2) A civil proceeding commenced by the filing of a complaint;
 - 3) An arbitration proceeding in which such damages are claimed and to which you must submit or do submit with our consent; or
 - 4) Any other alternative dispute resolution proceeding in which such damages are claimed and to which you must submit or to which we agree you should submit to

arising from a "wrongful act" or a series of interrelated "wrongful acts" including any resulting appeal.

- b. "Claim" does not mean or include:
 - 1) Any demand or action brought by or on behalf of someone who is:
 - a) Your director;
 - b) Your owner or part-owner; or
 - c) A holder of your securities;in their capacity as such, whether directly, derivatively, or by class action. "Claim" will include proceedings brought by such individuals in their capacity as "affected individuals", but only to the extent that the damages claimed are the same as would apply to any other "affected individual"; or
 - 2) A "regulatory proceeding".
 - c. "Claim" includes a demand or proceeding arising from a "wrongful act" that is a "personal data breach" only when the "personal data breach" giving rise to the proceeding was covered under the Data Breach Response Expenses section of this Cyber Coverage, and you submitted a "claim" to us and provided notifications and services to "affected individuals" in consultation with us pursuant to Data Breach Response Expenses in connection with such "personal data breach".
6. **"Combatant"** means a government, sovereign or other authority, or agents acting on their behalf.
7. **"Computer Attack"**
- a. "Computer attack" means one of the following involving the "computer system":
 - 1) An "unauthorized access incident";
 - 2) A "malware attack"; or
 - 3) A "denial of service attack" against a "computer system".
 - b. A "computer attack" ends at the earlier of:
 - 1) The time that the active attacking behavior ceases, the time that you have regained control over the "computer system", or the time that all unauthorized creation, destruction, or movement of data associated with the "computer attack" has ceased, whichever happens latest; or
 - 2) Thirty (30) days after your discovery of the "computer attack".
8. **"Computer Fraud Costs"** means:
- a. The amount of "money" fraudulently obtained from you. "Computer fraud costs" include the direct financial loss only.

- b. "Computer fraud costs" do not include any of the following:
 - 1) Other expenses that arise from the "computer fraud event";
 - 2) Indirect loss, such as "bodily injury", lost time, lost wages, identity recovery expenses, or damaged reputation;
 - 3) Any interest, time value, or potential investment gain on the amount of financial loss; or
 - 4) Any portion of such amount that has been or can reasonably be expected to be reimbursed by a third party, such as a financial institution.
9. **"Computer Fraud Event"** means:
- a. An "unauthorized access incident" that leads to the intentional, unauthorized, and fraudulent entry of or change to data or instructions within a "computer system" owned or leased by you and operated under your control. Such fraudulent entry or change must be conducted by a person who is not an "employee", "executive", or "independent contractor". Such fraudulent entry or change must cause "money" to be sent or diverted. The fraudulent entry or change must result in direct financial loss to you.
 - b. "Computer fraud event" does not mean or include any occurrence:
 - 1) In which you are threatened or coerced to send money or divert a payment; or
 - 2) Arising from a dispute or a disagreement over the completeness, authenticity, or value of a product, a service, or a financial instrument.
10. **"Computer System"** means a computer or other electronic hardware that:
- a. Is owned or leased by you and operated under your control; or
 - b. Is operated by a third party service provider used for the purpose of providing hosted computer application services to you or for processing, maintaining, hosting, or storing your electronic data, pursuant to a written contract with you for such services. However, such computer or other electronic hardware operated by such third party shall only be considered to be a "computer system" with respect to the specific services provided by such third party to you under such contract.
11. **"Coverage Term"** means the increment of time:
- a. Commencing on the earlier of the first inception date of this Cyber Coverage or the first inception date of any coverage substantially similar to that described in this Cyber Coverage and held immediately prior to this Cyber coverage; and

- b. Ending upon the "termination of coverage".
12. **"Coverage Territory"** means:
- With respect to Data Breach Response Expenses, Computer Attack, Cyber Extortion, Misdirected Payment Fraud, Computer Fraud, and Telecommunications Fraud, "coverage territory" means anywhere in the world.
 - With respect to Privacy Incident Liability, Network Security Liability, and Electronic Media Liability, "coverage territory" means anywhere in the world, however "claims" must be brought within the United States (including its territories and possessions) or Puerto Rico.
13. **"Cyber Extortion Expenses"** means:
- The cost of a negotiator or investigator retained by you in connection with a "cyber extortion threat"; and
 - Any amount paid by you in response to a "cyber extortion threat" to the party that made the "cyber extortion threat" for the purposes of eliminating the "cyber extortion threat" when such expenses are necessary and reasonable and arise directly from a "cyber extortion threat". This includes any payment made in the form of "money", "securities", cryptocurrency (including, but not limited to, Bitcoin, Ethereum and other forms of digital, virtual or electronic currency), or tangible goods. The payment of "cyber extortion expenses" must be approved in advance by us. We will not unreasonably withhold our approval. However, we may pay for "cyber extortion expenses" that were not approved in advance by us if we determine the following:
 - It was not practical for you to obtain our prior approval; and
 - If consulted at the time, we would have approved the payment.

At our sole discretion, we may choose to pay "cyber extortion expenses" in excess of the limit shown in the Declarations if doing so reduces the total amount of "loss" payable under this Cyber Risk Coverage.
14. **"Cyber Extortion Threat"** means:
- "Cyber extortion threat" means a demand for money from you based on a credible threat, or series of related credible threats, to:
 - Launch a "denial of service attack" against the "computer system" for the purpose of denying "authorized third party users" access to your services provided through the "computer system" via the Internet;
 - Gain access to a "computer system" and use that access to steal, release, or publish "personally identifying information", "personally sensitive information", or "third party corporate data";
 - Alter damage or destroy electronic data or software while such electronic data or software is stored within a "computer system";
 - Launch a "computer attack" against a "computer system" in order to alter, damage, or destroy electronic data or software while such electronic data or software is stored within a "computer system"; or
 - Transfer, pay or deliver any funds or property using a "computer system" without your authorization.
 - "Cyber extortion threat" does not mean or include any threat made in connection with a legitimate commercial dispute.
15. **"Data Re-creation Costs"**
- "Data re-creation costs" means the costs of an outside professional firm hired by you to research, re-create, and replace data that has been lost or corrupted and for which there is no electronic source available or where the electronic source does not have the same or similar functionality to the data that has been lost or corrupted.
 - "Data re-creation costs" does not mean or include costs to research, re-create, or replace:
 - Software programs or operating systems that are not commercially available; or
 - Data that is obsolete, unnecessary, or useless to you.
16. **"Data Restoration Costs"**
- "Data restoration costs" means the costs of an outside professional firm hired by you to replace electronic data that has been lost or corrupted. In order to be considered "data restoration costs", such replacement must be from one or more electronic sources with the same or similar functionality to the data that has been lost or corrupted.
 - "Data restoration costs" does not mean or include costs to research, re-create, or replace:
 - Software programs or operating systems that are not commercially available; or
 - Data that is obsolete, unnecessary, or useless to you.
17. **"Defense Costs"**
- "Defense costs" means reasonable and necessary expenses consented to by us resulting solely from the investigation, defense, and appeal of any "claim" or "regulatory proceeding" against you. Such expenses may include premiums for any appeal bond,

attachment bond, or similar bond. However, we have no obligation to apply for or furnish such bond.

- b. "Defense costs" does not mean or include the salaries or wages of your employees or directors, or your loss of earnings.
18. **"Denial of Service Attack"** means an intentional attack against a target computer or network of computers designed to overwhelm the capacity of the target computer or network in order to deny or impede authorized users from gaining access to the target computer or network through the Internet.
19. **"Domestic Partner"** means any natural person legally recognized as a domestic or civil union partner under:
- a. The provisions of any applicable federal, state, or local law; or
 - b. The provisions of any formal program established by "you".
20. **"Electronic Media Incident"** means an allegation that the display of information in electronic form by you on a website resulted in:
- a. Infringement of another's copyright, title, slogan, trademark, trade name, trade dress, service mark, or service name;
 - b. Defamation against a person or organization that is unintended; or
 - c. A violation of a person's right of privacy, including false light and public disclosure of private facts.
21. **"Employee"** means any natural person, other than an "executive", who was, now is or will be:
- a. Employed on a full-time or part-time basis by you;
 - b. Furnished temporarily to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions;
 - c. Leased to you by a labor leasing firm under an agreement between you and the labor leasing firm to perform duties related to the conduct of your business, but does not mean a temporary employee as defined in paragraph **b.**;
 - d. Your volunteer worker, which includes unpaid interns; or
 - e. An "independent contractor".
22. **"Executive"** means any natural person who was, now is, or will be:
- a. The owner of your sole proprietorship; or
 - b. A duly elected or appointed:
 - 1) Director;
 - 2) Officer;
 - 3) Managing Partner;
 - 4) General Partner;
 - 5) Member (if a limited liability company);
 - 6) Manager (if a limited liability company); or
 - 7) Trustee;
- of your business.
23. **"Extended Income Loss"** means your actual "business income and extra expense loss" incurred during the "extended recovery period".
24. **"Extended Recovery Period"** means a fixed period of one hundred-eighty (180) days immediately following the end of the "period of restoration".
25. **"Future Loss Avoidance Costs"**
- a. "Future loss avoidance costs" means the amount you spend to make improvements to a "computer system" owned or leased by you and operated under your control, provided:
 - 1) Such "future loss avoidance costs" are incurred within thirty (30) days after your discovery of the "computer attack"; and
 - 2) We agree in writing that improvements to which "future loss avoidance costs" relate would reasonably reduce the likelihood of a future "computer attack" similar to the one for which you have received payment under Paragraphs **2.b.1) through 2.b.4)** under **Section I – Coverages**. We will not unreasonably withhold such agreement; and
 - 3) We receive your invoices for the "future loss avoidance costs" no later than sixty (60) days after the date you received the payment for the loss under Paragraphs **2.b.1) through 2.b.4)** under **Section I – Coverages**.
 - b. The most we will pay for all "future loss avoidance costs" with respect to any one "computer attack" is 10% of our Eligible Payment to you prior to any payment under this Future Loss Avoidance coverage. Any portion of the payment made for hardware replacement or hardware upgrades reduces the amount we will pay.
 - c. The improvements described in paragraph **a.2)** may include, but are not limited to, hardware and software upgrades. Improvements involving services subject to lease, license, or subscription may have costs that are ongoing. In such case, the most we will pay are costs associated with the first twelve (12) months of any such service, subject to the amount described in paragraph **b.** above.
 - d. As used in this coverage, Eligible Payment means our total payment to you under Paragraphs **2.b.1) through**

2.b.4) under **Section I – Coverages**, not including any deductible amount.

26. "Identity Theft"

- a. "Identity theft" means the fraudulent use of "personally identifying information". This includes fraudulently using such information to establish credit accounts, secure loans, enter into contracts, or commit crimes.
- b. "Identity theft" does not mean or include the fraudulent use of a business name, D/B/A, or any other method of identifying a business activity.

27. "Independent Contractor" means a natural person that provides goods or services to you under terms specified in a written contract, but only while acting on behalf of, at the direction of, and under the supervision of you.

28. "Loss"

- a. With respect to Data Breach Response Expenses, "loss" means those expenses enumerated Paragraph **1.b.** under **Section I – Coverages**.
- b. With respect to Computer Attack, "loss" means those expenses enumerated in Paragraph **2.b.** under **Section I – Coverages**.
- c. With respect to Cyber Extortion, "loss" means "cyber extortion expenses".
- d. With respect to Misdirected Payment Fraud, "loss" means "wrongful transfer costs".
- e. With respect to Computer Fraud, "loss" means "computer fraud costs".
- f. With respect to Telecommunications Fraud, "loss" means "telecommunications fraud costs".
- g. With respect to Privacy Incident Liability, Network Security Liability, and Electronic Media Liability, "loss" means "defense costs" and "settlement costs".

29. "Malware Attack"

- a. "Malware attack" means an attack that damages a "computer system" or data contained therein arising from malicious code, including viruses, worms, Trojans, spyware, and keyloggers.
- b. "Malware attack" does not mean or include damage from shortcomings or mistakes in legitimate electronic code or damage from code installed on your "computer system" during the manufacturing process or normal maintenance.

30. "Money" means:

- a. "Money" means a medium of exchange in current use and authorized or adopted by a domestic or foreign government, including currency, coins, banknotes,

bullion, travelers' checks, registered checks, and money orders held for sale to the public.

- b. "Money" does not mean or include any cryptocurrency, whether or not authorized or adopted by a domestic or foreign government. Cryptocurrency includes, but is not limited to, Bitcoin, Ethereum, and other forms of digital, virtual, or electronic currency.

31. "Network Security Incident" means a negligent security failure or weakness with respect to a "computer system" which allowed one or more of the following to happen:

- a. The unintended propagation or forwarding of malware, including viruses, worms, Trojans, spyware, and keyloggers. Malware does not include shortcomings or mistakes in legitimate electronic code;
- b. The unintended abetting of a "denial of service attack" against one or more other systems; or
- c. The unintended loss, release, or disclosure of "third party corporate data".

32. "Period of Indemnification" means the period of time that begins on the date you first provided notification to "affected individuals" pursuant to Paragraph **1. Data Response Expenses** under **Section I – Coverages** and ends after thirty (30) days.

33. "Period of Restoration" means the period of time that begins eight (8) hours after the time that a "computer attack" is discovered by you and continues until the earliest of:

- a. The date that all data restoration, data re-creation, and system restoration directly related to the "computer attack" has been completed;
- b. The date on which such data restoration, data re-creation, and system restoration could have been completed with the exercise of due diligence and dispatch;
- c. If no data restoration, data re-creation, or system restoration is required, the end of the "computer attack"; or
- d. 180 days after the "computer attack" is discovered by you.

34. "Personal Data Breach" means the loss, theft, accidental release, or accidental publication of "personally identifying information" or "personally sensitive information" as respects one or more "affected individuals". If the loss, theft, accidental release, or accidental publication involves "personally identifying information", such loss, theft, accidental release, or accidental publication must result in or have the reasonable possibility of resulting in the fraudulent use of such information. This definition is subject to the following provisions:

- a. At the time of the loss, theft, accidental release, or accidental publication, the "personally identifying information" or "personally sensitive information" need not be at the insured premises but must be in the direct care, custody, or control of:
 - 1) You; or
 - 2) A professional entity with which you have a direct relationship and to which you (or an "affected individual" at your direction) have turned over (directly or via a professional transmission or transportation provider) such information for storage, processing, transmission, or transportation of such information.
 - b. "Personal data breach" includes disposal or abandonment of "personally identifying information" or "personally sensitive information" without appropriate safeguards such as shredding or destruction, provided that the failure to use appropriate safeguards was accidental and not reckless or deliberate.
 - c. "Personal data breach" includes situations where there is a reasonable cause to suspect that such "personally identifying information" or "personally sensitive information" has been lost, stolen, accidentally released, or accidentally published, even if there is no firm proof.
 - d. All incidents of "personal data breach" that are discovered at the same time or arise from the same cause will be considered one "personal data breach".
35. **"Personally Identifying Information"**
- a. "Personally identifying information" means information, including health information, that could be used to commit fraud or other illegal activity involving the credit, access to health care, or identity of an "affected individual". This includes, but is not limited to, Social Security numbers or account numbers.
 - b. "Personally identifying information" does not mean or include information that is otherwise available to the public, such as names and addresses.
36. **"Personally Sensitive Information"**
- a. "Personally sensitive information" means private information specific to an individual the release of which requires notification of "affected individuals" under any applicable law.
 - b. "Personally sensitive information" does not mean or include "personally identifying information".
37. **"Policy Period"** means the period commencing on the effective date shown in the Declarations. The "policy period" ends on the expiration date or the cancellation date of this Cyber Coverage, whichever comes first.
38. **"Pollutants or Contaminants"** include, but are not limited to, any solid, liquid, gaseous, biological, radiological, or thermal irritant or contaminant, including smoke, vapor, dust, fibers, mold, spores, fungi, bacterium, microorganism, virus, or other pathogen, diseases, germs, soot, fumes, asbestos, acids, alkalis, chemicals, and waste. Waste includes, but is not limited to, materials to be recycled, reconditioned, or reclaimed and nuclear materials.
39. **"Privacy Incident"** means:
- a. A "personal data breach";
 - b. Your failure to comply with a Privacy Policy;
 - c. Your unauthorized, unlawful (including, but not limited to, in violation of the European Union General Data Protection Regulation, the California Consumer Privacy Act, or similar laws), or wrongful collection of "personally identifying information"; or
 - d. Your unlawful (including, but not limited to, in violation of the European Union General Data Protection Regulation, the California Consumer Privacy Act, or similar laws) or wrongful failure to amend, correct, or delete "personally identifying information".
- For the purpose of this definition, Privacy Policy means a publicly available written policy formally adopted by you which addresses the collection, handling, and management of "personally identifying information".
40. **"Property Damage"** means:
- a. Physical injury to or destruction of tangible property including all resulting loss of use; or
 - b. Loss of use of tangible property that is not physically injured.
41. **"Regulatory Proceeding"** means an investigation, demand, or proceeding alleging a violation of law or regulation arising from a "personal data breach" brought by, or on behalf of, the Federal Trade Commission, Federal Communications Commission, or other administrative or regulatory agency, or any federal, state, local, or foreign governmental entity in such entity's regulatory or official capacity.
42. **"Reputational Harm Costs"**
- a. "Reputational harm costs" means the loss of Business Income during the "period of indemnification" arising directly from damage to your reputation caused by a "personal data breach".
- As used in this definition, Business Income means the sum of:
- 1) Net income (net profit or loss before income taxes) that would have been earned or incurred; and

- 2) Continuing normal and necessary operating expenses incurred, including "employee" and "executive" payroll.
- b. "Reputational harm costs" does not mean or include Business Income you lose due to:
 - 1) Unfavorable or deteriorated business conditions;
 - 2) Decreased market share;
 - 3) Any other consequential damages or losses;
 - 4) Legal costs or expenses;
 - 5) Investment income;
 - 6) Bank interest;
 - 7) Seasonal fluctuations; or
 - 8) Additional costs you incur to operate your business over and above the costs that you normally would have incurred to operate your business during the same period had no "personal data breach" occurred.

43. **"Reward Payments"** means:

An amount of "money" paid by you to any individual(s) for information leading to the arrest and conviction of any perpetrator(s) of a "personal data breach", "computer attack", "cyber extortion threat", "wrongful transfer event", or "computer fraud event" that:

- a. We agree to in writing prior to the "reward payments" being offered or paid; and
 - b. Are offered and paid prior to the earlier of:
 - 1) Six months after the "personal data breach", "computer attack", "cyber extortion threat", "wrongful transfer event", or "computer fraud event". or
 - 2) Expiration of the policy term.
- Such individual may not be:
- 1) You;
 - 2) Your employee;
 - 3) Anyone hired by you to investigate a "personal data breach", "computer attack", "cyber extortion threat", "wrongful transfer event", or "computer fraud event". or
 - 4) A member of law enforcement.

44. **"Securities"**

- a. "Securities" means:
 - 1) Written negotiable and non-negotiable instruments or contracts representing "money" or tangible property; or
 - 2) Uncertified securities.

- b. "Securities" does not mean or include "money".

45. **"Settlement Costs"**

- a. "Settlement costs" means the following, when they arise from a "claim":
 - 1) Damages, judgments, or settlements; and
 - 2) Attorney's fees and other litigation costs added to that part of any judgment paid by us, when such fees and costs are awarded by law or court order; and
 - 3) Pre-judgment interest on that part of any judgment paid by us.
- b. "Settlement costs" does not mean or include:
 - 1) Civil or criminal fines or penalties imposed by law, except for civil fines and penalties expressly covered under Data Breach Response Expenses;
 - 2) Punitive and exemplary damages;
 - 3) The multiple portion of any multiplied damages;
 - 4) Taxes; or
 - 5) Matters which may be deemed uninsurable under the applicable law.
- c. With respect to fines and penalties, the law of the jurisdiction most favorable to the insurability of those fines, or penalties will control for the purpose of resolving any dispute between us and you regarding whether the fines, or penalties specified in this definition above are insurable under this Cyber Coverage, provided that such jurisdiction:
 - 1) Is where those fines, or penalties were awarded or imposed;
 - 2) Is where any "wrongful act" took place for which such fines, or penalties were awarded or imposed;
 - 3) Is where you are incorporated or you have your principal place of business; or
 - 4) Is where we are incorporated or have our principal place of business.

46. **"System Restoration Costs"**

- a. "System restoration costs" means the costs of an outside professional firm hired by you to do any of the following in order to restore your "computer system" to its pre-"computer attack" level of functionality:
 - 1) Replace or reinstall computer software programs.
 - 2) Remove any malicious code; and
 - 3) Configure or correct the configuration of your "computer system".
- b. "System restoration costs" does not mean or include:

- 1) Costs to increase the speed, capacity, or utility of a "computer system" beyond what existed immediately prior to the "computer attack";
 - 2) Labor costs of your employees or directors;
 - 3) Any costs in excess of the actual cash value of your "computer system"; or
 - 4) Costs to repair or replace hardware. However, at our sole discretion, we may choose to pay to repair or replace hardware if doing so reduces the amount of "loss" payable under this Cyber Coverage.
47. **"Telecommunications Fraud Costs"** means any payment that you are responsible for making to your Telephone Service Provider as a result of a "computer attack" on a "telecommunications system" that is owned or leased by you and operated under your control. As used in this definition, Telephone Service Provider means a business with which you have a written contract to provide you with telephone services.
48. **"Telecommunications System"** means any telephone or fax system including but not limited to, Voice over Internet Protocol (VoIP) or other internet-based telephone system is owned or leased by you and operated under your control.
49. **"Termination of Coverage"** means:
- a. You or we cancel this coverage;
 - b. You or we refuse to renew this coverage; or
 - c. We renew this coverage on an other-than-claims-made basis or with a retroactive date later than the date of the first inception of this coverage or any coverage substantially similar to that described in this Cyber Coverage.
50. **"Third Party Corporate Data"**
- a. "Third party corporate data" means any trade secret, data, design, interpretation, forecast, formula, method, practice, credit, or debit card magnetic strip information, process, record, report, or other item of information of a third party not an insured under this Cyber Coverage which is not available to the general public and is provided to you subject to a mutually executed written confidentiality agreement or which you are legally required to maintain in confidence.
 - b. "Third party corporate data" does not mean or include "personally identifying information" or "personally sensitive information".
51. **"Unauthorized Access Incident"** means the gaining of access to a "computer system" by:
- a. An unauthorized person or persons; or
 - b. An authorized person or persons for unauthorized purposes.
52. **"Wrongful Act"**
- a. With respect to Privacy Incident Liability, "wrongful act" means a "privacy incident";
 - b. With respect to Network Security Liability, "wrongful act" means a "network security incident"; and
 - c. With respect to Electronic Media Liability, "wrongful act" means an "electronic media incident".
53. **"Wrongful Transfer Costs"** means the amount of "money" fraudulently obtained from you. "Wrongful transfer costs" include the direct financial loss only. "Wrongful transfer costs" do not include any of the following:
- a. Other expenses that arise from the "wrongful transfer event";
 - b. Indirect loss, such as "bodily injury", lost time, lost wages, identity recovery expenses, or damaged reputation;
 - c. Any interest, time value, or potential investment gain on the amount of financial loss; or
 - d. Any portion of such amount that has been or can reasonably be expected to be reimbursed by a third party, such as a financial institution.
54. **"Wrongful Transfer Event"**
- a. "Wrongful transfer event" means an intentional and criminal deception of you or a financial institution with which you have an account. The deception must be perpetrated by a person who is not an "employee", "executive", or "independent contractor" using email, facsimile, or telephone communications to induce you or the financial institution to send or divert "money", "securities", or tangible property. The deception must result in direct financial loss to you.
 - b. "Wrongful transfer event" does not mean or include any occurrence:
 - 1) In which you are threatened or coerced to send money or divert a payment; or
 - 2) Arising from a dispute or disagreement over the completeness, authenticity, or value of a product, a service, or a financial instrument.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CYBER SUITE – WISCONSIN CHANGES AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

CYBER SUITE COVERAGE

Paragraph **7.b** under **SECTION VI – CYBER SUITE COVERAGE CONDITIONS**, is deleted and replaced with the following:

- b. The action is brought within six years after the date the "loss" is first discovered by you, or the date on which you first receive notice of a "claim" or "regulatory proceeding".

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IMPORTANT NOTICE – CYBER RESOURCES AVAILABLE

Thank you for purchasing Cyber Suite coverage from ERIE. We appreciate the trust you have placed in us.

As an ERIE Cyber Suite customer, we're happy to offer you access to the following resources:

eRiskHub® Website

This website provides resources to help you identify and protect your team from cyber risks, such as an incident response roadmap, an eRisk resources directory, an online, ready-to-use training module, a learning center, risk management tools, and a news center.

The general information and materials provided on the website do not represent legal advice and are not meant to be a substitute for seeking competent legal and/or professional cyber security advice.

To gain access to the website, visit: **<https://eriskhub.com/erieinsurance>**

- For Access Code, enter: **12116-196**
- Complete the entire registration form by creating a username and password.
- Log In: After registering, log in with your username and password.
- Navigate: Use your access to explore all that the eRiskHub® has to offer including cyber news and helpful guides on breaches, technical support, reporting a loss and more!

Cyber Safety Website

This website provides resources such as Cybersecurity training to help you protect your team from cyber risks, security policy templates to help you identify and document compliance with multiple regulations, and web app security scans to help you identify potential security weaknesses in your business.

The general information and materials provided on the website do not represent legal advice and are not meant to be a substitute for seeking competent legal and/or professional cyber security advice.

To gain access to the website, visit: **<https://zeguro.com/erieinsurance>**

- Complete the registration by using your email address and creating a password to sign up.
- Verify your email address.
- Answer a short survey regarding your company to complete the registration.

Thank you again for being an ERIE customer. We hope you find our services valuable in helping to protect your and your business.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONDOMINIUM ASSOCIATION COVERAGE

This endorsement modifies insurance provided under the following:

ERIESECURE BUSINESS PROPERTY COVERAGE PART
COMMERCIAL GENERAL LIABILITY COVERAGE FORM
ERIESECURE BUSINESS POLICY

ERIESECURE BUSINESS PROPERTY COVERAGE PART

A. Under Section I - Building(s) - Coverage 1 - Covered Property, the following is added:

Building(s) also includes:

1. Materials and supplies intended for use in construction, alteration, or repair of the building or structure;
2. Outdoor fixtures; and
3. Any of the following types of property contained within a unit, regardless of ownership, if your Condominium Association Agreement requires you to insure it:
 - a. Fixtures, improvements, completed additions, and alterations comprising a part of the building; or
 - b. Refrigerators, air conditioners, cooking ranges, dishwashers, and clothes washers and dryers, contained within units, regardless of ownership.

Items described in Paragraphs 1., 2., and 3. above must be at the premises described in the "Declarations".

B. Under Section I - Building(s) - Coverage 1 - Property Not Covered, the following is added:

Building(s) does not apply to:

Personal property owned by, used by, or in the care, custody, or control of a unit-owner except as provided in Paragraph A.3. above.

C. Under Section I - Business Personal Property and Personal Property of Others - Coverage 2 - Covered Property, the following is added:

Business Personal Property and Personal Property of Others also includes:

1. Personal property owned by you or owned indivisibly by all unit-owners;
2. Your interest in labor, materials, or services furnished or arranged by you on personal property of others; or
3. Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under personal property of others.

D. Under Section I - Business Personal Property and Personal Property of Others - Coverage 2 - Property Not Covered, the following is added:

Business Personal Property and Personal Property of Others does not apply to:

Personal property owned by a unit-owner.

E. Under Section VIII - Commercial Property Conditions - Loss Payment, the following is added:

If you have designated an insurance trustee, "loss" shall be adjusted with you, but shall be payable to the designated insurance trustee. This payment of "loss" to the insurance trustee shall be a complete discharge of our liability under this policy for such "loss".

F. Under Section VIII - Commercial Property Conditions - Loss Payment, the following is added for Pennsylvania and West Virginia only:

Only upon termination of the condominium shall "loss" to building(s) be payable to mortgagees named in the "Declarations", to the extent of their interest and in the order of precedence. In all other respects, "loss" to building(s) shall be payable to you or the designated insurance trustee according to Section VIII - Commercial Property Conditions - Loss Payment.

G. Under Section VIII - Commercial Property Conditions - Other Insurance, the following is added:

A unit-owner may have other insurance covering the same property as this insurance. This insurance is intended to be primary and not to contribute with such other insurance. This applies to property owned by you or owned indivisibly by all unit owners.

H. The following is added to the definition of "rental income" of Section IX - Definitions:

"Rental Income" also includes maintenance fees.

ERIESECURE BUSINESS POLICY

A. Under Our Right To Recover From Others of the Common Policy Conditions, the following is added:

We waive our right to recover from any unit-owner of the condominium described in the "Declarations".

B. The following Conditions are added to the **Common Policy Conditions**:

1. **Acts Or Omissions By Unit Owners**

No act or omission by any unit owner unless acting within the scope of the unit owner's authority on behalf of the association, will void the policy or be a condition to recovery under the policy.

2. **Common Policy Conditions**

We may cancel this Coverage Part by mailing or delivering to:

- a. The first Named Insured; and
- b. Each unit owner to whom certificates of insurance have been issued

written notice of cancellation at least thirty (30) days (KY – 75 days) before the effective date of cancellation.

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

This coverage applies only if Commercial General Liability Coverage Form is shown in the Declarations.

A. Under **Section II - Who Is An Insured** – Paragraph 2., the following is added:

Each individual unit-owner of the condominium described in the Declarations, but only with respect to liability arising out of the ownership, maintenance, or repair of that portion of the premises which is not solely owned by the unit-owner or out of membership in the association.

The developer in the capacity as a unit-owner of the condominium described in the Declarations, but only with respect to liability arising out of ownership, maintenance, or repair of that portion of the premises which is not solely owned by the developer or out of membership in the association. This insurance does not apply to acts or omissions for which the developer may be held liable in the capacity of a developer.

B. The following is added to **Section IV – Commercial General Liability Conditions** – Paragraph 8. **Transfer Of Rights of Recovery Against Others To Us**:

We waive any right of recovery we may have against:

1. Any unit owner, including the developer, and household members;
2. The association; and
3. Members of the board of directors for acts or omissions within the scope of their duties for you

because of payments we have made under this Coverage Part. However, our rights may only be waived prior to the "bodily injury" or "property damage" caused by the "occurrence" which we have made payments under this Coverage Part.

The insured must do nothing after a loss to impair our rights. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce these rights.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

ERIESECURE BUSINESS PROPERTY COVERAGE PART

A. Cap On Certified Terrorism Losses

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

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

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

B. Application Of Exclusions

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

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

DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

SCHEDULE

Terrorism Premium (Certified Acts) \$ 4 - This is the portion of your annual premium attributable to coverage for terrorism (Certified Acts) under the ErieSecure Business policy (\$4.00 per policy issued).

Additional Information, if any, concerning the terrorism premium:

SCHEDULE – PART II (Refer to Paragraph B. in this endorsement)

Federal share of Terrorism Losses: 80%

(Applicable if policy is in force)

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

A. Disclosure of Premium

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

B. Disclosure of Federal Participation In Payment Of Terrorism Losses

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals a percentage (as shown in Part II of the Schedule of this endorsement) of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses at-

tributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, the Treasury shall not make any payment for any portion of the amount of such losses that exceeds \$100 billion.

C. Cap On Insurer Participation In Payment Of Terrorism Losses

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year, and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion,

and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.