



JAMES KINSER  
1495 PINE GROVE #201A  
STEAMBOAT SPRI

CO 80487

HOMESTEAD AT THREE PEAKS HOA  
C/O SUMMIT RESORT GROUP  
PO BOX 2590  
DILLON CO 80435-2566

Elite Agent

60438-35-51  
02/10/23  
00:34:49  
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001  
R7262  
RENEWAL

ATTACH SRN FCS-0453  
CM057PMS  
04

ADDIMANFLT

JAMES KINSER  
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## **Sign And Submit Forms Online With eSign**

With eSign, you can sign your policy documents electronically and send them to us with just a few clicks. Its the convenient, secure way to submit forms that require your signature. Once this feature is added to your policy, any signature forms listed in your policy declarations with an asterisk (\*) will be sent to you via eSign. Future changes to your policy will automatically process via eSign, if eligible.

If you havent signed up for eSign yet, contact your Farmers<sup>®</sup> agent today to get started.

## 2022 Exchange Update

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Dear Fellow Truck Insurance Exchange Member:

As we close the books on 2021, Farmers Insurance Group<sup>®</sup> continues to provide its customers with coverage options to help them manage risk and meet their insurance needs. We strive to deliver the best value and experience to every customer we're privileged to serve. Farmers appreciates your business and looks forward to continuing to earn your confidence for many years to come.

Truck Insurance Exchange is one of the insurers comprising Farmers Insurance Group<sup>®</sup>. Truck Insurance Exchange along with Farmers Insurance Exchange and Fire Insurance Exchange, and their subsidiaries and affiliates, provide automobile, homeowners, personal umbrella and business owners insurance. For more information, please visit [farmers.com](https://farmers.com).

### **Recent Developments**

- A key highlight in 2021 was our successful acquisition and integration of MetLife Auto & Home<sup>®</sup>, which diversified our distribution and extended the Farmers brand to new customers.
- We also continued our strong performance in customer experience, with our overall customer satisfaction score at an all-time high.
- In a year of elevated weather and fire catastrophes, Farmers responded with our award-winning Catastrophe team to serve our customers and help communities in need.

### **Better Together**


- We began pivoting to a new way of working based on feedback from our employees and after demonstrating we're more than capable of operating Farmers and serving our customers with the vast majority of our employees working virtually.
- We are committed to a diverse workforce and are proud that Farmers has achieved a perfect score of 100 on the 2022 Corporate Equality Index (CEI).

### **Your Voting Rights**

As a member of Truck Insurance Exchange, you have the important right to vote for representatives of the Exchange Board of Governors. To ensure that all our customers have an opportunity to exercise their voting rights, we now have three ways in which you can cast your votes. You may vote in person at the Annual Meeting of Members of Truck Insurance Exchange, appoint a proxy to act on your behalf by requesting and returning a completed proxy form, or conveniently cast your votes online through your Farmers.com account. Additional information on Truck Insurance Exchange and your voting options can be found in the FAQs on the other side of this page.

Thank you for your ongoing support and participation.

Sincerely,



Ronald L. Marrone  
Chair of the Board of Governors of Truck Insurance Exchange

# 2022 Exchange Update (continued)

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## FREQUENTLY ASKED QUESTIONS

As a member of Truck Insurance Exchange, we want you to understand the basics of the operation of an Exchange because, as you will see below, you are an owner of the Exchange.

### What is an Exchange?

An Exchange is an insurance organization, which operates in most ways like any other insurance company, but with a few key differences. Truck Insurance Exchange was organized under a provision in the California Insurance Code, which allows insureds to "exchange" policies with other insureds. Because the insureds cannot practically be involved in actually issuing policies, collecting premium, paying commissions to agents, etc., they appoint a third party - called an "attorney-in-fact" (AIF) - to perform those duties on their behalf for a fee. That appointment is made through a document called a "Subscription Agreement." You were asked to sign a Subscription Agreement at the time you applied for insurance with Truck Insurance Exchange and that is how you became a member (aka subscriber).

### Who owns the Exchange?

You do. Subscribers of the Exchange are owners until such time as they no longer have insurance from the Exchange. Subscribers elect a Board of Governors which supervises the financial affairs of the Exchange and the performance of the AIF in conformity with the Subscription Agreement terms.

### Why is an AIF fee paid to Truck Underwriters Association (TUA)?

Under the Subscription Agreement mentioned above, members appoint TUA to perform certain of the tasks, such as policy issuance and collection of premium, which are involved in running an insurance operation. The Subscription Agreement specifies an AIF fee of 20 percent of premium, although TUA has taken less than that amount.

### What is TUA?

TUA is a wholly owned subsidiary of Farmers Group, Inc. (FGI), which is part of the Zurich Insurance Group, Ltd (ZIG), a Swiss company. Neither TUA, FGI nor ZIG has any ownership interest in Truck Insurance Exchange, which is owned by its subscribers (insureds).

### How was your premium dollar spent by Truck Insurance Exchange in 2021?

Your premium dollar covers Exchange costs including losses incurred, acquisition costs, taxes, license fees, the AIF fee, and any contributions to surplus. For 2021, the AIF fee was 14.4% of the premium dollar, which included the AIF profit of 6.68% of the premium dollar for that year.

### Can the Exchange lose money?

If premiums collected exceed claims payments and other expenses (including the fee for the AIF), then the Exchange retains those net premium earnings (as contributions to surplus). If premiums are not sufficient to cover claims and expenses, the Exchange will lose money. That's one reason it is important to build surplus to pay future losses. The AIF does not participate in claims losses and does not enjoy any net premium earnings. Importantly, subscribers are not responsible for any losses the Exchange might suffer.

### How can I exercise my right to vote?

You may exercise your voting rights in any of the following ways:

1. By attending the annual members' meeting in Woodland Hills, CA on March 21, 2023 at 2 PM,
2. Electronically through your Farmers.com account (voting will be available from January 1, 2023 to March 10, 2023 and you will be required to create a Farmers.com account if you do not already have one), or
3. Through mail by requesting a paper proxy from the Subscriber Relations Office (completed proxies must be received by March 10, 2023)

### Where can I get more information about the Exchange, or obtain a paper proxy?

You can go to [www.farmers.com/about-us](http://www.farmers.com/about-us) for most questions. If you have additional questions or want to obtain a paper proxy along with a postage paid envelope to confidentially return your proxy, please contact:

Subscriber Relations Office  
Truck Insurance Exchange  
Attn: Corporate Secretary  
P.O. Box 4461  
Woodland Hills, CA 91365  
[Subscriber.relations@farmersinsurance.com](mailto:Subscriber.relations@farmersinsurance.com)



Dear Farmers® Customer,

Thank you for choosing Farmers for your Business Insurance needs.

In today's business environment, we understand that your business needs may change during the year. For example, you may acquire new equipment, adjust your staffing, add a new location, create electronic ordering and/or billing for your customers or begin offering new services.

**These changes may require updated insurance coverage for your business.**

Farmers and its agents want to help make you smarter about your insurance. To do that, we offer special services at no additional cost to you to help you ensure your business has the coverage it needs.

For example:

- Your agent will be happy to schedule a Farmers Friendly Review® with you. During this review, your agent can talk to you about available insurance discounts, potential coverage gaps, and new products that may be available to you. In addition, if there have been changes in your business since your last policy review, your premium may be eligible for additional pricing consideration.
- MysafetyPoint.com makes safety and loss control information available that may help you avoid workplace injuries and other losses.

To access this information, log onto [www.mysafetypoint.com](http://www.mysafetypoint.com), then register with your policy number and email address to find safety and loss control information that is specific to your type of business.

**ENCLOSED YOU WILL FIND YOUR POLICY DOCUMENTS. PLEASE REVIEW YOUR COVERAGES TO ENSURE THEY MEET YOUR NEEDS.**

If you have any questions, please contact your Farmers agent.

**James Kinser**

**Email: [jkinser@farmersagent.com](mailto:jkinser@farmersagent.com)**

**970-879-1330**



**FARMERS**  
INSURANCE

## STATEMENT

### TRUCK INSURANCE EXCHANGE

° HOMESTEAD AT THREE PEAKS HOA  
C/O SUMMIT RESORT GROUP  
PO BOX 2590

DILLON CO 80435-2566

**FEBRUARY 10, 2023**

Date

**07-50-22H**

Agent's Number

**60438-35-51**

Policy Number

Loan Number

**Renewal Statement - The Company will renew your policy for an additional 12 months term only if payment of the premium indicated is made on or before the renewal date of this notice.**

### This Statement Reflects:

Effective Date: 04/01/23

☐ New Business ☐ Reinstatement ☐ Change Of Coverage ☐ Added Coverage

\$ Previous Balance Owing

\$ Premium

\$ Membership, Policy, Reinstatement, Reissue or Service Fees

\$ Pro Rata Premium Due

\$ **1,275.00** Premium For Renewing Entire Present Coverage From 04/01/23 To 04/01/24

\$

\$

\$

\$

\$ **1,275.00** Total Charges

\$

\$ Payments

\$ Other Credits \_\_\_\_\_

\$ \_\_\_\_\_ Total Credits

\$ **- NONE -** **BALANCE DUE UPON RECEIPT**

\$ \_\_\_\_\_ Optional Amount

\$ \_\_\_\_\_ Refund

**WE WANT TO BE YOUR FIRST CHOICE FOR BUSINESS AND PERSONAL LINES INSURANCE. IF YOU PLACE A PERSONAL LINES POLICY WITH FARMERS YOU MAY BE ELIGIBLE TO RECEIVE A DISCOUNT, CONTACT YOUR AGENT TODAY.**

**IMPORTANT- D-O N-O-T P-A-Y-T-H-I-S N-O-T-I-C-E  
PREMIUM WILL BE BILLED. ACCT # F006071689-001-00001.**

## State Required Notification:





## Important Notice

### Subscription Agreement Notice

(Please keep for your records)

*By payment of the policy premium, you acknowledge that you have received and read the Truck Insurance Exchange Subscription Agreement (the terms of which are provided below) and that you agree to be bound to all of the terms and conditions of the Subscription Agreement.*

*Under the Subscription Agreement, you appoint Truck Underwriters Association (the "Association") to act as the attorney-in-fact. The Association has acted in this capacity since 1935. The Subscription Agreement provides for payment of compensation to the Association for its becoming and acting as attorney-in-fact. This compensation consists of a membership fee and a percentage of premiums on all policies of insurance or reinsurance issued or effected by the Exchange. These fees are included in your policy payment and are not an additional fee.*

*We reserve the right to request that you provide us with a signed Subscription Agreement and if you fail to do so, your coverage may be terminated.*

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### Subscription Agreement

For and in consideration of the benefits to be derived therefrom the subscriber covenants and agrees with Truck Insurance Exchange and other subscribers thereto through their and each of their attorney-in-fact, Truck Underwriters Association, to exchange with all other subscribers' policies of insurance or reinsurance containing such terms and conditions therein as may be specified by said attorney-in-fact and approved by the Board of Governors or its Executive Committee for any loss insured against, and subscriber hereby designates, constitutes and appoints Truck Underwriters Association to be attorney-in-fact for subscriber, granting to it power to substitute another in its place, and in subscriber's name, place and stead to do all things which the subscriber or subscribers might or could do severally or jointly with reference to all policies issued, including cancellation thereof, collection and receipt of all monies due the Exchange from whatever source and disbursement of all loss and expense payments, effect reinsurance and all other acts incidental to the management of the Exchange and the business of interinsurance; subscriber further agrees that there shall be paid to said Association, as compensation for its becoming and acting as attorney-in-fact, the membership fees and twenty per centum of the Premium Deposit for the insurance provided and twenty per centum of the premiums required for continuance thereof.

The remaining portion of the Premium Deposit and of additional term payments made by or on behalf of the subscriber shall be applied to the payment of losses and expenses and to the establishment of reserves and general surplus. Such reserves and surplus may be invested and reinvested by a Board of Governors duly elected by and from subscribers in accordance with provisions of policies issued, which Board or its Executive Committee or an agent or agency appointed by written authority of said Executive Committee shall have full powers to negotiate purchases, sales, trades, exchanges, and transfers of investments, properties, titles and securities, together with full powers to execute all necessary instruments. The expenses above referred to shall include all taxes, license fees, attorneys' fees and adjustment expenses and charges, expenses of members' and governors' meetings, agents' commissions, and such other specified fees, dues and expenses as may be authorized by the Board of Governors. All other expenses incurred in connection with the conduct of the Exchange and such of the above expenses as shall from time to time be agreed upon by and between the Association and the Board of Governors or its Executive Committee shall be borne by the Association.

The principal office of the Exchange and its attorney-in-fact shall be maintained in the City of Los Angeles, County of Los Angeles, State of California.

This agreement can be signed upon any number of counterparts with the same effect as if the signatures of all subscribers were upon one and the same instrument, and shall be binding upon the parties thereto, severally and ratably as provided in policies issued. Wherever the word "subscriber" is used the same shall mean members of the Exchange, the subscriber hereto, and all other subscribers to this or any other like agreement. Any policy issued hereon shall be non-assessable.



Farmers Insurance, Attn: Business Insurance  
PO Box 2527, Grand Rapids, MI 49501

FEBRUARY 10, 2023

HOMESTEAD AT THREE PEAKS HOA  
C/O SUMMIT RESORT GROUP  
PO BOX 2590

DILLON CO 80435-2566

### Premium Change Notice

Re: Renewal of 60438-35-51

Dear Valued Customer:

We want to take this opportunity to thank you for choosing Farmers® Business Insurance and to share some important information. Your policy renewal date is approaching soon and based on current underwriting information in our files, your renewal notice will reflect an increase in premium over the prior year. Please keep in mind that this increase may be due to a combination of factors including policy changes you may have requested, changes in the economic factors affecting the risk, such as property values, payrolls or sales volume, or rate factor changes made by us in response to rising claims and other costs. The level of risk associated with this policy is not commensurate with the current premium level. Accordingly, please be advised that the renewal premium will be \$ 1,275.00 .

We know the protection of your business is important to your success and we're honored that you've chosen Farmers Business Insurance. If you would like to discuss your upcoming renewal, we recommend you contact your Farmers Insurance agency at 970-879-1330

Sincerely,  
TRUCK INSURANCE EXCHANGE

cc: JAMES KINSER  
07-50-22H



# Privacy Policy

This notice describes our privacy policies and procedures in safeguarding information about customers and former customers that obtain financial products or services for personal, family or household purposes. **Please note that if state law is more protective of an individual's privacy than federal privacy law, we will protect information in accordance with state law while also meeting federal requirements.**

## Information We Collect

We may collect the following categories of information for the purposes identified below. Please note that the examples are not an exhaustive list and may fall into multiple categories. Categories and specific pieces of information collected may vary depending on the nature of your relationship with us.

Category	Examples
<b>Personal Identifiers</b>	Name, alias, address, social security number, date of birth, passport number, unique personal identifier, online identifier, IP address, e-mail address, account name, government issued identification number, phone number, signature.
<b>Personal Characteristics</b>	Gender, demographic, medical and health, convictions, marital status, offspring, driving record, family member/other status, and other descriptions of your physical characteristics.
<b>Commercial Information</b>	Personal property, insurance policy number, medical information, or health insurance information, purchased products or services, considered products or services, purchasing or consuming histories or tendencies.
<b>Biometric Information</b>	Voice print, photo.
<b>Internet or Network Activity</b>	Information regarding your interactions with websites, applications, and advertisements, browser type, electronic communications, IP address, cookies.
<b>Geolocation</b>	IP address, physical address, telephone number, state, municipality, location, devices, applications on mobile and computer devices.
<b>Audio, Electronic, Visual, Thermal, Olfactory</b>	Audio, electronic, photo, visual information, such as a call or video recording, voicemail messages.
<b>Professional Information and Employment Information</b>	Job titles, work history, school attended, employment status, veteran, or military status.
<b>Education Information</b>	Job titles, work history, school attended, marital status, e-mail, telephone recordings.
<b>Inferences</b>	Preferences, behaviors, characteristics, trends, predispositions, attitudes, abilities, and aptitudes.
<b>Sensitive Personal Information</b>	Social security number, drivers license number, state ID card, account login, precise geo-location, bank account number, credit or debit card number, or any other financial information, trade union membership, your communications with us.

## Purposes For Collection Of Personal Information

We collect and use your personal information to offer, provide and maintain insurance products and related services to you. We may use your personal information for one or more of the following purposes:

- To offer, provide, and maintain insurance products and related services to you;
- To authenticate and verify your identity; to maintain your preferences and to contact you;
- Security: authentication and verification of your identity, fraud identification and protection;
- Conduct analytics, research and development, improvement of our products and services;
- To conduct quality assurance;
- To provide a location-based product or service requested by you;
- To apply relevant discounts;
- To create profiles based on personal information collected and reflecting individual preferences to provide appropriate or relevant products and services and improve and analyze our products and services and provide relevant marketing;

## Sources Of Personal Information

We collect certain information ("nonpublic personal information") about you and the members of your household (collectively, "you") from the following sources:

- Information you provide on applications or other forms, such as your social security number, assets, income, and property information.
- Information about your transactions with us, our affiliates, or others, such as your policy coverage, premiums, and payment history.
- Information from your visits to the websites we operate, use of our mobile sites and applications, use of our social media sites, and interaction with our on-line advertisements.
- Information we receive from consumer reporting agencies or insurance support organizations, such as motor vehicle records, credit report information, and insurance claim history; and
- If you obtain a life, long-term care, or disability product, information we receive from you, medical professionals who have provided care to you and insurance support organizations, regarding your health.

## How Long Do We Retain Your Information

We retain your personal data for as long as reasonably necessary to fulfill the purpose for which it was collected or to comply with legal, regulatory, or internal procedures or obligations.

## How We Protect Your Information

Our customers are our most valued assets. Protecting your privacy is important to us. We restrict access to personal information to those individuals, such as our employees and agents, who provide you with our products and services. We require individuals with access to your information to protect it and keep it confidential. We maintain physical, electronic, and procedural safeguards that comply with applicable regulatory standards to guard your nonpublic personal information. We do not disclose any nonpublic personal information about you except as described in this notice or as otherwise required or permitted by applicable law.

## Information We Disclose

We may disclose the nonpublic personal information we collect about you, as described above, to our affiliates, to companies that perform marketing services on our behalf or to other financial institutions with which we have joint marketing agreements, and to other third parties, as permitted by law and for our everyday business purposes, such as to process your transactions and maintain your accounts and insurance policies. Many employers, benefit plans or plan sponsors restrict the information that can be shared about their employees or members by companies that provide them with products or services. If you have a relationship with Farmers or one of its affiliates as a result of products or services provided through an employer, benefit plan or plan sponsor, we will follow the privacy restrictions of that organization.

We are permitted to disclose personal health information:

- (1) to process your transaction with us, for instance, to determine eligibility for coverage, to process claims or to prevent fraud;
- (2) with your written authorization; and
- (3) as permitted by law.

When you are no longer our customer, we continue to share your information as described in this notice.

## Sharing Information with Affiliates

The Farmers Insurance Group<sup>®</sup> of Companies includes affiliates that offer a variety of financial products and services in addition to insurance. Sharing information enables our affiliates to offer you a more complete range of products and services.

We may disclose nonpublic personal information, as described above in **Information We Collect**, as permitted by law to our affiliates, which include:

- Financial service providers such as insurance companies and reciprocals, investment companies, underwriters and brokers/dealers.
- Non-financial service providers, such as data processors, billing companies and vendors that provide marketing services for us.

We are permitted by law to share with our affiliates information about our transactions and experiences with you. In addition, we may share with our affiliates consumer report information, such as information from credit reports and certain application information, received from you and from third parties, such as consumer reporting agencies and insurance support organizations.

## IMPORTANT PRIVACY CHOICES

You have choices about the sharing of some information with certain parties. These choices may differ based on the particular affiliate(s) with which you do business.

For 21st Century customers: We are offering you an opt-out opportunity which is included with your policy documents. If you prefer that we not share your consumer report information with Farmers you may opt-out of such disclosures that is, you may direct us not to make those disclosures - other than as otherwise permitted by law. You may do so by following the procedure explained in the Opt-Out Form. You may opt-out only by returning the Opt-Out Form. We will implement your request within a reasonable time. If it is your decision not to opt-out and to allow sharing of your information with the Farmers affiliates, you do not need respond in any way.

For Bristol West customers: If you prefer that we not share consumer report information with our affiliates, except as otherwise permitted by law, you may use the Opt-Out Form included with your policy documents. Please verify that your Bristol West policy number is listed. If not, please add the policy numbers on the form and mail to the return address printed on the form. We will implement your request within a reasonable time after we receive it. Any policyholder may opt-out on behalf of other joint policyholders. An opt-out by any joint policyholder will be deemed to be an opt-out by all policyholders of the policy. If it is your decision not to opt-out and to allow sharing of your information with our affiliates, you do not need to request an opt-out or respond to us in any way.

For Farmers customers: If you prefer that we not share consumer report information with our affiliates, except as otherwise permitted by law, you may request an Opt-Out Form by calling toll free, 1-800-327-6377, (please have all of your policy numbers available when requesting Opt-Out Forms). A form will be mailed to your attention. Please verify that all of your Farmers policy numbers are listed. If not, please add the policy numbers on the form and mail to the return address printed on the form. Any policyholder may opt-out on behalf of other joint policyholders. An opt-out by any joint policyholder will be deemed to be an opt-out by all policyholders of the policy issued by the affiliates listed on the Farmers Privacy Notice. We will implement your request within a reasonable time after we receive the form.

**If you decide not to opt-out or if you have previously submitted a request to opt-out on each of your policies, no further action is required.**

**Additionally, under the California Consumer Privacy Act ("CCPA", California residents have the right to opt out of the sale of personal information to certain third parties.** Although we do not currently share personal information in a manner that would be considered a sale under CCPA, you may still submit a request to opt out by calling us at 1-855-327-6548 or submitting a request through our CCPA Web Form at <https://www.farmers.com/california-consumer-privacy/>.

## Modifications to Our Privacy Policy

We reserve the right to change our privacy practices in the future, which may include sharing nonpublic personal information about you with other nonaffiliated third parties. Before we make any changes, we will provide you with a revised privacy notice and give you the opportunity to opt-out of, or, if applicable, to opt-in to that type of information sharing.

## Website and Mobile Privacy Policy

Our Enterprise Privacy Statement includes our website and mobile privacy policies which provides additional information about website and mobile application use. Please review those notices if you transmit personal information to us over the Internet through our websites and/or mobile applications.

## Recipients of this Notice

While any policyholder may request a copy of this notice, we are providing this notice to the named policyholder residing at the mailing address to which we send your policy information. If there is more than one policyholder on a policy, only the named policyholder will receive this notice. You may receive more than one copy of this notice if you have more than one policy with us. You also may receive notices from affiliates, other than those listed below.

## More Information about these Laws

This notice is required by applicable federal and state law. For more information, please contact us.

## Signed

Farmers Insurance Exchange, Fire Insurance Exchange, Truck Insurance Exchange, Mid-Century Insurance Company, Farmers Insurance Company, Inc. (A Kansas Corp.), Farmers Insurance Company of Arizona, Farmers Insurance Company of Idaho, Farmers Insurance Company of Oregon, Farmers Insurance Company of Washington, Farmers Insurance of Columbus, Inc., Farmers Insurance Hawaii, Inc., Farmers New Century Insurance Company, Farmers Services Insurance Agency, Farmers Specialty Insurance Company, Farmers Texas County Mutual Insurance Company, Farmers Financial Solutions, LLC (a member of FINRA and SIPC)\*, FFS Holding, LLC, Illinois Farmers Insurance Company, Mid-Century Insurance Company of Texas, Texas Farmers Insurance Company, Civic Property and Casualty Company, Exact Property and Casualty Company, and Neighborhood Spirit Property and Casualty Company, American Federation Insurance Company, 21st Century Advantage Company, 21st Century Assurance Company, 21st Century Auto Insurance Company of New Jersey, 21st Century Casualty Company, 21st Century Centennial Insurance Company, 21st Century Indemnity Insurance Company, 21st Century Insurance & Financial Services, Inc., 21st Century Insurance Company, 21st Century Insurance Company of Southwest, 21st Century North America Insurance Company, 21st Century Pacific Insurance Company, 21st Century Premier Insurance Company, 21st Century Superior Insurance Company, Hawaii Insurance Consultants Ltd., American Pacific Insurance Company, Inc., Bristol West Casualty Insurance Company, Bristol West Holdings, Inc., Bristol West Insurance Company, Bristol West Insurance Services of California, Inc., Bristol West Insurance Services, Inc. of Florida, Bristol West Preferred Insurance Company, BWIS of Nevada, Inc., Coast National Holding Company, Coast National Insurance Company, Foremost County Mutual Insurance Company, Foremost Insurance Company Grand Rapids, Michigan, Foremost Lloyds of Texas, Foremost Property and Casualty Insurance Company, Foremost Signature Insurance Company, and Security National Insurance Company (Bristol West Specialty Insurance Company in TX), Farmers Property and Casualty Insurance Company, Farmers Casualty Insurance Company, Farmers Group Property and Casualty Insurance Company, Economy Fire & Casualty Company, Economy Preferred Insurance Company, Farmers Lloyds Insurance Company of Texas, Economy Premier Assurance Company, Farmers Direct Property & Casualty Insurance Company, Toggle Insurance Company.

The above is a list of the affiliates on whose behalf this privacy notice is being provided. It is not a comprehensive list of all affiliates of the companies comprising the Farmers Insurance Group of Companies.

\*For more background information on Farmers Financial Solutions, LLC ("FS" or its registered representatives / Agents, visit FINRA's BrokerCheck at [www.finrabrokercheck.com](http://www.finrabrokercheck.com) or call the BrokerCheck toll free hotline at (800) 289-9999. You may obtain information about the Securities Investor Protection Program (SIPC) including the SIPC brochure by contacting SIPC at (202) 371-8300 or via the internet at [www.sipc.org](http://www.sipc.org). FFS is registered with the US Securities and Exchange Commission and the Municipal Securities Rulemaking Board (MSRB). The MSRB website is accessible at [www.msrb.org](http://www.msrb.org) and includes an Investor Brochure that describes the protections that may be provided by the MSRB and how to file a complaint with the appropriate regulatory authority.



## Important Policyholder Notice Regarding Preferred Community Association Management Coverage

Dear Policyholder,

Your Condo/Townhome or PUD/Homeowners Association Policy includes the **Preferred Community Association Coverage Form - J7495**. In addition to Directors and Officers Liability Coverage, this form includes Crisis Response Coverage and Third Party Discrimination and Employment Practices Liability Coverage, which provide important protections for your Association.

### Crisis Response Coverage

Crisis Response Coverage provides the Association with up to \$50,000 of no fault reimbursement in the wake of a covered crisis event. Expenses incurred by the Association, such as first aid and emergency care, ambulance, hospital, nursing, professional counseling, funeral expenses and temporary security measures, are reimbursable.

### Third Party Discrimination and Employment Practices Liability Coverage

Third Party Discrimination coverage provides defense and indemnity protection against covered claims made by individuals other than employees, such as unit owners or their tenants, for discrimination based on race, color, religion, age, sex, disability, pregnancy, sexual orientation, national origin, or any other basis prohibited by federal, state or local law.

Employment Practices Liability provides defense and indemnity protection against covered liability claims arising from the employer/employee relationship. The policy acts to shield employers when a claim is made by an employee, a former employee, or an applicant for employment in which damages are alleged or where specific charges of discrimination, harassment, or inappropriate employment conduct are brought.

### What additional benefits are provided?

Free risk management services are available which provide sample employment forms, employment policy statements, free telephone-based direct access to a team of experts who are available to provide specific risk management advice in response to your employment practices-related concerns, and much more to assist you to put the most effective loss control processes in place to help avoid Employment Practices Liability claims.

You may access this information at [www.farmerskey.com](http://www.farmerskey.com). To register your organization on [www.farmerskey.com](http://www.farmerskey.com), please follow these simple instructions:

#### Select a Site Administrator

The Site Administrator is the person in your organization who will oversee [farmerskey.com](http://farmerskey.com). The Site Administrator can add other users and decide how to use the management training offered on the site free of charge. The Site Administrator is often a person who works with personnel or personnel legal matters. He or she may add other Site Administrators later, if needed.

#### Register the Site Administrator

1. Go to: [www.farmerskey.com](http://www.farmerskey.com).
2. Click the blue *Register Here* button.
3. Enter the passcode: **farmers80**.
4. Fill in the registration information and click *Submit*.
5. At the end of registration, your organization is registered, and you are registered as Site Administrator.

If you have any questions about how to use the site, please use the *Contact Us* link at the top of the screen.



## COMMON POLICY DECLARATIONS

**Named Insured** HOMESTEAD AT THREE PEAKS HOA  
C/O SUMMIT RESORT GROUP

**Mailing Address** PO BOX 2590  
DILLON, CO 80435-2566

F006071689-001-00001

Account No.

Prod. Count

07-50-22H

60438-35-51

Agent No.

Policy Number

**Form of Business** ☐ Individual ☐ Joint Venture ☐ Limited Liability Co.  
☐ Corporation ☐ Partnership ☒ Other Organization

**Business Description:**  
Condominium

**Policy Period** From 04-01-2023 (not prior to time applied for)  
To 04-01-2024 12:01 A.M. Standard time at your mailing address shown above.

If this policy replaces other coverage that ends at noon standard time of the same day this policy begins, this policy will not take effect until the other coverage ends. **This policy will continue for successive policy periods as follows:** If we elect to continue this insurance, we will renew this policy if you pay the required renewal premium for each successive policy period subject to our premiums, rules and forms then in effect.

This policy consists of the following coverage parts listed below and for which a premium is indicated. This premium may be subject to change.

Coverage Parts	Premium After Discount And Modification
Condominiums Owners Policy	\$850.00
Preferred Community Association Management	\$425.00
Certified Acts Of Terrorism - See Disclosure Endorsement	Included
Total (See Additional Fee Information Below)	\$1,275.00



**Policy Number:** 60438-35-51

**Effective Date:** 04-01-2023

**Forms Applicable To** 25-9230ED3

Reminder-Review Your Coverages

**All Coverage Parts:**

**Your Agent**

James Kinser  
Jim Kinser Insurance Agency Inc  
1495 Pine Grove #201a  
Steamboat Spri, CO 80487  
(970) 879-1330

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Countersigned (Date)

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By Authorized Representative

**Additional Fee Information**

The following additional fees apply on an account, not a per-policy, basis.

- A **service fee** will be assessed on every installment invoice and will be included in the minimum amount due. However, if you choose to pay the entire account balance in full upon receipt of the first installment, the fee will be waived. In addition, for accounts fully enrolled in online billing and scheduled for recurring Electronic Funds Transfer (EFT) payments the fee will be waived.

State	Installment Fee
All states except Alaska, Florida, Maryland, New Jersey And West Virginia	\$6.00
Alaska and Maryland	Not applicable
Florida	\$3.00
New Jersey	\$7.00
West Virginia	\$5.00

- A **returned payment fee** applies per check, electronic transaction or other remittance which is not honored by your financial institution for any reason including but not limited to insufficient funds or a closed account. **NOTE: If the returned payment is in response to a Notice of Cancellation, coverage still cancels on the cancellation effective date set forth in the notice.**

State	NSF Fee
All States Except Alaska, Florida, Indiana, Maine, Nebraska, New Jersey, North Dakota, Oklahoma, Virginia And West Virginia	\$30.00
North Dakota And Oklahoma	\$25.00
Nebraska And Indiana	\$20.00
Florida And West Virginia	\$15.00
Maine	\$10.00
Alaska, New Jersey And Virginia	Not applicable

- A **late fee** will be assessed on each Notice of Cancellation that is issued and will be included in the minimum amount due.

State	Late Fee
All States Except Alaska, Florida, Maryland, Missouri, Nebraska, New Jersey, Rhode Island, Virginia, South Carolina And West Virginia	\$20.00
Nebraska, Rhode Island And South Carolina	\$10.00
Alaska, Florida, Maryland, Missouri, New Jersey, Virginia And West Virginia	Not applicable

The following applies on a per-policy basis.

- A **reinstatement fee** of \$25.00 will be assessed if the policy is reinstated over 30 days but under 6 months from the cancellation date. *This fee does not apply to Florida, Indiana & Maryland or to Workers Compensation policies.*

One or more of the fees or charges described above may be deemed a part of premium under applicable state law.

Dear Valued Customer:

**THIS POLICY DOES NOT PROVIDE WORKERS' COMPENSATION COVERAGE FOR JOB RELATED INJURIES TO YOUR EMPLOYEES.**

State law may require such coverage. Be sure you are in compliance with the state law.

**FARMERS INSURANCE GROUP OF COMPANIES**



**CONDITIONAL EXCLUSION OF TERRORISM  
(RELATING TO DISPOSITION OF FEDERAL TERRORISM RISK INSURANCE ACT)**

This endorsement modifies insurance provided under the following:

APARTMENT OWNERS PROPERTY COVERAGE FORM  
APARTMENT OWNERS LIABILITY COVERAGE FORM  
CONDOMINIUM OWNERS PROPERTY COVERAGE FORM  
CONDOMINIUM OWNERS LIABILITY COVERAGE FORM  
DIRECTORS AND OFFICERS LIABILITY COVERAGE FORM

**SCHEDULE**

The <b>Exception Covering Certain Fire Losses</b> (Paragraph B.2.) applies to property located in the following state(s):	
California Illinois Iowa Missouri North Carolina	Oregon Virginia Washington Wisconsin
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A.** Coverage is amended as follows:

**1. Applicability Of The Provisions Of This Endorsement**

**a.** The provisions of this endorsement become applicable commencing on the date when any one or more of the following first occurs. But if your policy (meaning the policy period in which this endorsement applies) begins after such date, then the provisions of this endorsement become applicable on the date your policy begins.

- (1)** The federal Terrorism Risk Insurance Program ("Program"), established by the Terrorism Risk Insurance Act, has terminated with respect to the type of insurance provided under this Coverage Form; or
- (2)** A renewal, extension or replacement of the Program has become effective without a requirement to make terrorism coverage available to you and with revisions that:
  - (a)** Increase our statutory percentage deductible under the Program for terrorism losses. (That deductible determines the amount of all certified terrorism losses we must pay in a calendar year, before the federal government shares in subsequent payment of certified terrorism losses.); or
  - (b)** Decrease the federal government's statutory percentage share in potential terrorism losses above such deductible; or
  - (c)** Redefine terrorism or make insurance coverage for terrorism subject to provisions or requirements that differ from those that apply to other types of events or occurrences under this policy.

**b.** If the provisions of this endorsement become applicable, such provisions:

- (1)** Supersede any terrorism endorsement already endorsed to this policy that addresses "certified acts of terrorism" and/or "other acts of terrorism", but only with respect to loss or injury or damage from an incident(s) of terrorism (however defined) that occurs on or after the date when the provisions of this endorsement become applicable; and

**(2) Remain applicable unless we notify you of changes in these provisions, in response to federal law.**

**c. If the provisions of this endorsement do NOT become applicable, any terrorism endorsement already endorsed to this policy, that addresses "certified acts of terrorism" and/or "other acts of terrorism", will continue in effect unless we notify you of changes to that endorsement in response to federal law.**

2. The following definition is added and applies under this endorsement wherever the term terrorism is enclosed in quotation marks.

"Terrorism" means activities against persons, organizations or property of any nature:

a. That involve the following or preparation for the following:

- (1) Use or threat of force or violence; or
- (2) Commission or threat of a dangerous act; or
- (3) Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and

b. When one or both of the following applies:

- (1) The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
- (2) It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

**B. The applicable **Property Coverage Form** is amended as follows:**

1. The following exclusion is added:

**EXCLUSION OF TERRORISM**

We will not pay for loss or damage caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. But this exclusion applies only when one or more of the following are attributed to an incident of "terrorism":

- a. The "terrorism" is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
- b. Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material; or
- c. The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
- d. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials; or
- e. The total of insured damage to all types of property in the United States, its territories and possessions, Puerto Rico and Canada exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the "terrorism" and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions. Multiple incidents of "terrorism" which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the threshold is exceeded.

With respect to this Item **1.e.**, the immediately preceding paragraph describes the threshold used to measure the magnitude of an incident of "terrorism" and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an incident of "terrorism", there is no coverage under this Coverage Form.

## **2. Exception Covering Certain Fire Losses**

The following exception to the Exclusion Of Terrorism applies only if indicated and as indicated in the Schedule of this endorsement.

If "terrorism" results in fire, we will pay for the loss or damage caused by that fire, subject to all applicable policy provisions including the Limit of Insurance on the affected property. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense coverages or endorsements that apply to those coverages.

## **3. Application Of Other Exclusions**

When the Exclusion Of Terrorism applies in accordance with the terms of Paragraph **1.a.** or **1.b.**, such exclusion applies without regard to the Nuclear Hazard Exclusion in this Coverage Form.

**C.** The applicable **Liability Coverage Form** and the **Directors and Officers Liability Coverage Form** is amended as follows:

1. The following definition is added and applies under this endorsement wherever the phrase any injury or damage, is enclosed in quotation marks:

"Any injury or damage" means any injury or damage covered under this Coverage Form or any applicable endorsement, and includes but is not limited to "bodily injury", "property damage" or "personal and advertising injury", as may be defined under this Coverage Form or any applicable endorsement.

2. The following exclusion is added:

### **EXCLUSION OF TERRORISM**

We will not pay for "any injury or damage" caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". "Any injury or damage" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to such injury or damage. **But this exclusion applies only when one or more of the following are attributed to an incident of "terrorism":**

- a. The "terrorism" is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
- b. Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material; or
- c. The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
- d. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials; or
- e. The total of insured damage to all types of property exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the "terrorism" and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or

**f.** Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:

- (1)** Physical injury that involves a substantial risk of death; or
- (2)** Protracted and obvious physical disfigurement; or
- (3)** Protracted loss of or impairment of the function of a bodily member or organ.

Multiple incidents of "terrorism" which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the thresholds in Paragraph **2.e.** or **2.f.** are exceeded.

With respect to this Exclusion, Paragraphs **2.e.** and **2.f.** describe the threshold used to measure the magnitude of an incident of "terrorism" and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an incident of "terrorism", there is no coverage under this Coverage Form.

**D.** The following provision is added to the applicable Coverage Form:

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for loss or injury or damage that is otherwise excluded under this Policy.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

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.



**J6300**  
3rd Edition

## DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

### SCHEDULE

<b>SCHEDULE - PART I</b>	
<b>Terrorism Premium (Certified Acts) \$</b>	<b>13 . 00</b>
<b>Additional information, if any, concerning the terrorism premium:</b>	
<b>SCHEDULE - PART II</b>	
<b>Federal share of terrorism losses</b> <u>80</u> % <b>Year: 20</b> <u>23</u> (Refer to Paragraph B. in this endorsement)	
  <b>Federal share of terrorism losses</b> <u>80</u> % <b>Year: 20</b> <u>24</u> (Refer to Paragraph B. in this endorsement)	
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

#### A. Disclosure Of Premium

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

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

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

#### 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.





**J7110**  
1st Edition

**EXCLUSION - ACCESS OR DISCLOSURE OF CONFIDENTIAL  
OR PERSONAL INFORMATION AND DATA-RELATED LIABILITY**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM  
BUSINESSOWNERS LIABILITY COVERAGE FORM  
APARTMENT OWNERS LIABILITY COVERAGE FORM  
CONDOMINIUM LIABILITY COVERAGE FORM

**A. The following exclusion is added to Section B. Exclusions:**

**Access Or Disclosure Of Confidential Or Personal Information And Data-Related Liability**

This insurance does not apply to damages, including but not limited to, "bodily injury" or "property damage" 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.

As used in this exclusion, electronic data means information, facts, recordings, images 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.

**B. The following is added to Paragraph B.1.p. Personal And Advertising Injury Exclusion of the Businessowners Coverage Form and Businessowners Liability Coverage form and to Paragraph B.1.q. Personal And Advertising Injury Exclusion of the Apartment Owners Liability Coverage Form and Condominium Liability Coverage Form:**

**Personal And Advertising Injury**

This insurance does not apply to damages, including but not limited to, "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 is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.



## ORDINANCE OR LAW - INCREASED PERIOD OF RESTORATION

This endorsement modifies insurance provided under the:

APARTMENT OWNERS PROPERTY COVERAGE FORM  
BUSINESSOWNERS COVERAGE FORM  
BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM

- A.** If a Covered Cause of Loss occurs to property at the premises described in the Declarations, the Business Income and Extra Expense coverage provided in Section **A.5. Additional Coverages** of the Apartment Owners Property Coverage Form and the Businessowners Special Property Coverage Form, and Paragraph **A.5. Additional Coverages** in **SECTION I - PROPERTY** of the Businessowners Coverage Form is extended to include the amount of actual and necessary loss you sustain during the increased period of suspension of your "operations" caused by or resulting from a requirement to comply with any ordinance or law in force at the time of the loss that:

1. Regulates the construction or repair of any property; or
2. Requires the tearing down of parts of any property not damaged by a Covered Cause of Loss.

However, coverage is not extended under this endorsement to include loss caused by or resulting from the enforcement of any 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.

- B.** Under this endorsement, 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.

- C.** For the purposes of the coverage provided by this endorsement the definition of "Period of Restoration" in Section **H. Property Definitions** of the Apartment Owners Property Coverage Form and the Businessowners Special Property Coverage Form, and Paragraph **H. Property Definitions** in **SECTION I - PROPERTY** of the Businessowners Coverage Form is deleted and replaced with the following:

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

- a.** Begins:

- (1) 72 hours after the time of direct physical loss or damage caused by or resulting from any Covered Cause of Loss at the described premises, unless a lesser number of hours is shown in the Declarations; or
- (2) Immediately after the time of direct physical loss or damage for Extra Expense coverage caused by or resulting from any Covered Cause of Loss at the described premises; and

- b.** Ends on the earlier of:

- (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality;
- (2) The date when business is resumed at a new permanent location; or
- (3) The Business Income and Extra Expense time period indicated in the Declarations.

"Period of restoration" includes any increased period required to repair or reconstruct the property to comply with the minimum standards or any ordinance or law, in force at the time of loss that regulates the construction or repair, or requires the tearing down of any property.

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

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.



**Truck Insurance Exchange (A Reciprocal Insurer)**  
Member Of The Farmers Insurance Group Of Companies®

Home Office: 6301 Owensmouth Ave., Woodland Hills, CA 91367

## **POLICY DECLARATIONS - PUD/HOMEOWNERS ASSOC PREMIER POLICY**

**Named Insured** HOMESTEAD AT THREE PEAKS HOA  
C/O SUMMIT RESORT GROUP

**Mailing Address** PO BOX 2590  
DILLON, CO 80435-2566

**Policy Number** 60438-35-51

☐ **Auditable**

**Policy Period** From 04-01-2023  
To 04-01-2024 12:01 A.M. Standard time at your mailing address shown above.

In return for the payment of premium and subject to all the terms of this policy, we agree with you to provide insurance as stated in this policy. We provide insurance only for those Coverages described and for which a specific limit of insurance is shown.

**Your Agent** James Kinser  
Jim Kinser Insurance Agency Inc  
1495 Pine Grove #201a  
Steamboat Spri, CO 80487  
(970) 879-1330

PROPERTY, INLAND MARINE AND CRIME COVERAGES AND LIMITS						
The following coverages apply to the described locations and/or building. Please refer to the Base Coverages And Extensions section for other coverages and extensions applying at the policy level.						
<b>Option:</b> BV - Blanket Value (see Base Coverage & Extensions for the total limit) <b>Valuation:</b> ACV - Actual Cash Value; AV - Agreed Value; RC - Replacement Cost; ERC - Extended RC; FRC- Functional RC; GRC - Guaranteed RC <b>Abbreviation:</b> ALS = Actual Loss Sustained; BI = Business Income; EE = Extra Expense						
Premises Number	Bldg. No.	Covered Premises Address	Mortgagee Name And Address			
001	All	3000-3010 Homestead Ln. Silverthorne, CO 80498				
Coverage			Option	Valuation	Limit Of Insurance	Deductible/ Waiting Period
Building				ERC	\$10,700	\$5,000
Accounts Receivables - On-Premises					\$5,000	\$5,000
Building - Automatic Increase Amount					8%	
Building Ordinance Or Law - 1 (Undamaged Part)					Included	None
Building Ordinance Or Law - 2 (Demolition Cost)					\$50,000	None
Building Ordinance Or Law - 3 (Increased Cost)					\$25,000	None
Building Ordinance Or Law - Increased Period of Restoration					Included	None
Cosmetic Damage Exclusion						
Debris Removal					25% Of Loss + 10,000	
Electronic Data Processing Equipment					\$10,000	\$5,000
Equipment Breakdown					Included	\$5,000
Equipment Breakdown - Ammonia Contamination					\$25,000	
Equipment Breakdown - Drying Out Coverage					Included	
Equipment Breakdown - Expediting Expenses					Included	
Equipment Breakdown - Hazardous Substances					\$25,000	
Equipment Breakdown - Water Damage					\$25,000	
Exterior Building Glass					Included	\$5,000
Outdoor Property					\$50,000	\$5,000
Outdoor Property - Trees, Shrubs & Plants (Per Item)					\$25,000	\$5,000
Personal Effects					\$2,500	\$5,000
Specified Property					\$10,000	\$5,000
Valuable Paper And Records - On-Premises					\$5,000	\$5,000

**PROPERTY, INLAND MARINE AND CRIME COVERAGE AND LIMITS OF INSURANCE**

**The following Coverages and Extensions apply to all covered locations (premises) and/or buildings. Please refer to the individual location (premises) section for coverages and limits specific to such location (premises).**

Base Coverage And Extensions	Limit of Insurance	Deductible/ Waiting Period
Accounts Receivables - Off-Premises	\$2,500	\$5,000
Association Fees And Extra Expense	\$100,000	
Back Up Of Sewers Or Drains	\$5,000	\$5,000
Crime Conviction Reward	\$5,000	None
Drone Aircraft - Direct Damage (per occurrence)	\$10,000	\$5,000
Drone Aircraft - Direct Damage (per item)	\$2,500	\$5,000
Employee Dishonesty	\$10,000	\$500
Fire Department Service Charge	\$2,500	None
Fire Extinguisher Systems Recharge Expense	\$5,000	None
Forgery And Alteration	\$2,500	\$5,000
Limited Biohazardous Substance Coverage - Per Occurrence	\$10,000	\$5,000
Limited Biohazardous Substance Coverage - Aggregate	\$20,000	\$5,000
Limited Cov. - Fungi Wet Rot Dry Rot & Bacteria - Aggregate	\$15,000	\$5,000
Master Key	\$10,000	None
Master Key - Per Lock	\$100	None
Money And Securities - Inside Premises	\$10,000	\$500
Money And Securities - Outside Premises	\$10,000	\$500
Money Orders And Counterfeit Paper Currency	\$1,000	\$5,000
Newly Acquired Or Constructed Property	\$250,000	\$5,000
Outdoor Signs	\$50,000	\$500
Outdoor Signs - Per Sign	\$25,000	\$500
Personal Property At Newly Acquired Premises	\$100,000	\$5,000
Personal Property Off Premises	\$5,000	\$5,000
Preferred Community Association Management - Crisis Response	\$50,000	None
Premises Boundary	100 Feet	
Preservation Of Property	30 Days	
Valuable Paper And Records - Off-Premises	\$2,500	\$5,000

**Effective Date:** 04-01-2023

**Each paid claim for the following coverage reduces the amount of insurance we provide during the applicable policy period. Please refer to the policy.**

## Covered Premises And Operations

Address	Classification /Exposure	Class Code	Prem. Basis	Annual Exposure	Rate	Advance Premium
3000-3010 Homestead Ln. Silverthorne, CO 80498	Planned Unit Develop./Homeowners Assoc.	8699	Incl	Included	Included	Included

LIABILITY AND MEDICAL EXPENSES COVERAGE AND LIMITS OF INSURANCE CONTINUED	
Coverage	Amount /Date
General Aggregate (Other Than Products & Completed Operations)	\$2,000,000
Products And Completed Operations Aggregate	\$1,000,000
Personal And Advertising Injury	Included
Each Occurrence	\$1,000,000
Tenants Liability (Each Occurrence)	\$75,000
Medical Expense (Each Person)	\$5,000
Pollution Exclusion - Hostile Fire Exception	Included
Preferred Community Association Management - Per Claim	\$1,000,000
Preferred Community Association Management - Aggregate	\$1,000,000
Directors and Officers Errors and Omissions Liability - Per Claim/Aggregate	Included
Third Party Discrimination and Employment Practices Liability - Per Claim/Aggregate	Included
Preferred Community Association Management - Self Insured Retention	\$1,000
Preferred Community Association Management - Retroactive Date	Date Established
Preferred Community Association Management - Prior Knowledge Date	04/01/2013
Hired Auto Liability	\$1,000,000
Non-Owned Auto Liability	\$1,000,000

**Policy Number:** 60438-35-51

**Effective Date:** 04-01-2023

**Policy Forms And Endorsements Attached At Inception**

Number	Title
25-2110	Notice - No Workers' Compensation Covg
25-9200ED3	Farmers Privacy Notice
25-9565ED1	Notice Re Pref Community Assoc Mgmt Covg
56-5166ED5	Addl Conditions - Reciprocal Provisions
E0104-ED1	Business Liab Covg - Tenants Liability
E0119-ED5	Back Up Of Sewers And Overflow Of Drains
E0125-ED1	Lead Poisoning And Contamination Excl
E0147-ED1	War Liability Exclusion
E2038-ED3	Conditional Exclusion Of Terrorism
E3015-ED2	Calculation Of Premium
E3024-ED3	Condominium Common Policy Conditions
E3037-ED1	No Covg-Certain Computer Related Losses
E3336-ED2	Hired Auto And Non-Owned Auto Liability
E3341-ED3	Limitation - Policy Limits & Definitions
E3422-ED3	Condominium Property Coverage Form
E4009-ED4	Mold And Microorganism Exclusion
E6097-ED4	Extended Replacement Cost Endorsement
J6300-ED3	Disclosure - Terrorism Risk Ins Act
J6316-ED2	Excl Of Loss Due To Virus Or Bacteria
J6347-ED1	Excl-Violation Of Statutes
J6350-ED1	Employee Dishonesty - Property Manager
J6351-ED2	Limited Terrorism Exclusion
J6353-ED1	Change To Limits Of Insurance
J6573-ED1	Planned Unit Development Coverage
J6612-ED2	Equipment Breakdown Coverage Endorsement
J6739-ED1	Two Or More Coverage Forms
J6829-ED1	Limited Coverage For Fungi And Bacteria
J6843-ED2	Planned Urban Development Premier End
J6849-ED2	Deductible Provisions
J7110-ED1	Exclusion Confidential Info
J7114-ED1	Removal Of Asbestos Exclusion
J7122-ED1	Loss Payment - Profit, Overhead & Fees
J7131-ED1	Dishonesty Excl-Tenant Vandal Excp
J7133-ED1	Limited Biohazardous Substance Cov
J7136-ED1	Pollution Exclusion - Expanded Exception
J7139-ED1	Bus Inc & Extra Exp - Partial Slowdown
J7144-ED1	Amendment Of Pers & Advertising Inj Covg
J7158-ED1	Damage To Property Exclusion Revised
J7174-ED1	Ord Or Law-Incr Period Of Rest
J7183-ED1	Limitation - Designated Premises/Project
J7222-ED1	Marijuana Exclusion



**Policy Number:** 60438-35-51

**Effective Date:** 04-01-2023

### Policy Forms And Endorsements Attached At Inception

Number	Title
J7228-ED1	Drone Aircraft Coverage
J7230-ED1	Supplementary Payments
J7493-ED1	Windstorm & Hail Loss Cond Endorsement
J7495-ED1	Pref Community Association Mgmt Coverage
J7504-ED1	Cosmetic Damage Exclusion
J7507-ED1	Cyber Incident Exclusion
S0741-ED4	CO Chgs-Canc & Nonrenewal
S0763-ED1	Colorado Changes

## **PREFERRED COMMUNITY ASSOCIATION MANAGEMENT COVERAGE FORM**

**THIS COVERAGE FORM INCLUDES CLAIMS MADE AND REPORTED COVERAGES. THIS COVERAGE FORM'S CLAIMS MADE COVERAGES APPLY ONLY TO ANY CLAIM FIRST MADE AGAINST AN INSURED DURING THE POLICY PERIOD OR THE EXTENDED REPORTING PERIOD, IF APPLICABLE, AND REPORTED IN WRITING TO THE COMPANY DURING THE POLICY PERIOD, BUT IN NO EVENT MORE THAN 60 DAYS AFTER THE END OF THE POLICY PERIOD OR THE EXTENDED REPORTING PERIOD, IF APPLICABLE. DEFENSE COSTS SHALL BE IN ADDITION TO THE LIMIT OF LIABILITY FOR THESE COVERAGES AND ARE SUBJECT TO THE RETENTIONS.**

**READ THE ENTIRE FORM CAREFULLY TO DETERMINE THE EXTENT OF COVERAGE.**

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

Throughout this coverage form, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance. The word insured means any person or organization qualifying as such under **I.C. WHO IS AN INSURED** or any organization qualifying as such under **II.C. WHO IS AN INSURED**. Other words and phrases that appear in quotation marks have special meaning. Refer to **I.I. or II.F. DEFINITIONS**.

### **SECTION I - CLAIMS MADE AND REPORTED LIABILITY COVERAGES**

#### **A. COVERAGE**

##### **1. Directors And Officers Errors And Omissions Liability**

We will pay "loss" which an insured shall be legally obligated to pay as a result of any "claim" first made against the Insured during the "policy period", or Extended Reporting Period, if applicable, for a "wrongful act" taking place on or after the retroactive date and prior to the end of the "policy period". Such "claim" must be reported to us in accordance with **B. Notice of Claim**. However, this coverage only applies if no "designated insured" had prior knowledge of the facts or circumstances of any "wrongful act" on or prior to the Prior Knowledge Date shown in the Declarations.

A "claim" will be deemed to have been first made when notice of such "claim" is received by any "designated insured" or by us, whichever comes first.

All "claims" arising out of "interrelated wrongful acts" will be deemed to be one "claim" and will be deemed to have been made at the time the first of those "claims" is made.

##### **2. Third Party Discrimination And Employment Practices Liability**

If a Limit of Liability is shown in the Declarations for Third Party Discrimination and Employment Practices Liability, we will pay "loss" which an insured shall be legally obligated to pay as a result of a "claim" first made during the "policy period" or an applicable Extended Reporting Period, for an "employment wrongful act" taking place on or after the retroactive date and prior to the end of the "policy period". Such "claim" must be reported to us in accordance with **B. Notice of Claim**. However, this coverage only applies if no "designated insured" had prior knowledge of the facts or circumstances of any "employment wrongful act" on or prior to the Prior Knowledge Date shown in the Declarations.

A "claim" will be deemed to have been made when notice of such "claim" is received by any "designated insured".

All "claims" arising out of "interrelated wrongful acts" will be deemed to be one "claim" and will be deemed to have been made at the time of the first of those "claims".

### 3. Defense And Settlement

We have the right and duty to defend the insured, through counsel of our choice, against any "suit" to which this insurance applies. We have the right to investigate any report of a "wrongful act", and may, at our discretion, settle any "claim" for a "wrongful act" to which this insurance applies. Our obligation to defend any "suit" ends once we have paid our applicable Limit of Liability. No other obligation to pay sums or perform acts or services is covered unless explicitly provided for under **4. Supplementary Payments**. No insured will, except at that insured's own cost, voluntarily make any payment, assume any obligation, or incur any expense, without our written consent.

### 4. Supplementary Payments

The following Supplementary Payments apply to Directors and Officers Errors and Omissions Liability and Third Party Discrimination and Employment Practices Liability.

We will pay, with respect to any covered "claim" we investigate, defend or settle:

- a. All expenses we incur in the investigation or handling of a covered "claim".
- b. The premium on bonds to appeal a judgment or award in any "suit" we defend or the premium on bonds to release attachments, but only for bond amounts within the applicable Each Claim Limit of Liability shown in the Declarations. We do not have to furnish these bonds. We do not have to provide security or collateral for 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 costs taxed against the insured in a "suit", excluding prevailing party attorney fees. Supplementary Payments do not include prevailing party attorney fees.
- e. Prejudgment and post judgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of liability, we will not pay any prejudgment or post judgment interest based on that period of time after the offer.

These payments will not reduce the applicable limit of liability.

### B. NOTICE OF CLAIM

You must give us written notice of a "claim" as soon as practicable after any "designated insured" becomes aware of such "claim". You must provide such notice to us:

1. During the "policy period" in which the "designated insured" first became aware of the "claim", but in no event more than 60 days after the end of that "policy period"; or
2. During the Extended Reporting Period, if applicable, but in no event more than 60 days after the end of the Extended Reporting Period.

### C. WHO IS AN INSURED

The term insured when used in **Section I** includes:

1. The Named Insured listed in the Declarations and its "subsidiaries". You must notify us within 90 days after you acquire or create a new "subsidiary".
  - a. Coverage for a newly acquired or created "subsidiary" 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 under this Coverage Form for any "subsidiary" and its insureds does not apply to any "wrongful act" or "employment practices wrongful act" that occurred before you acquired or formed the "subsidiary" or after the organization ceased being your "subsidiary".
2. Any person who has been, now is, or shall become:
  - a. A duly elected director or trustee of the insured community association, but only in their capacity as such;
  - b. A duly elected or appointed officer of the insured community association, but only in their capacity as such;
  - c. A committee member of the insured community association, but only in their capacity as such;
  - d. A member of the insured community association, but only while acting at the direction of the association's Board of Directors or Trustees on behalf of the association in a voluntary capacity; and

- e. An employee of the insured community association, but only in their capacity as such.
- 3. The estate or legal representatives of any insured in 2. above, who is deceased or the legal representatives, receivers or assigns of any insured in 2. above, who is insolvent, incompetent or bankrupt, but only to the extent the insured in 2. above, would have been covered under this Coverage Form in the absence of such death, insolvency, incompetency or bankruptcy.
- 4. The spouse or domestic partner of any insured in 2. above, but only to the extent the claimant seeks recovery from the spouse or domestic partner, or of property owned by the spouse or domestic partner, for a "wrongful act" or an "employment wrongful act" of an insured in 2. above.
- 5. A "property manager" for the insured community association while performing property management duties for the insured community association, but only with respect to liability for "wrongful acts" committed at the express direction of the insured community association. However, your "property manager" is not an insured for "claims" or "suits" brought against them by you.

#### **D. EXCLUSIONS**

##### **1. This insurance does not apply to "claims":**

- a. Relating to or arising from the insured gaining in fact profit or financial advantage to which such insured was not legally entitled.
- b. Based upon, arising out of, related to, resulting from, in connection with any actual or alleged failure to maintain any property owned by the insured community association, or by any "subsidiary" of the insured community association, or owned collectively by the members of the insured community association or such "subsidiary".
- c. Based upon, arising out of, related to, resulting from, in connection with any actual or alleged theft, loss, or unauthorized disclosure of personally identifiable information that is in the care, custody or control of the insured or a third party for whom the insured is legally liable.
- d. For benefits or amounts, including salaries, commissions, compensation, bonuses, profit sharing, health insurance, retirement benefits and severance payments, due or owed to an employee under a contract of employment, or due or owed to a director, trustee or officer.
- e. For any "wrongful act" that occurred after the "policy period".
- f. Based upon, arising out of, related to, resulting from, in connection with any actual or alleged "bodily injury", "property damage", or "personal and advertising injury".

##### **2. Directors and Officers Errors and Omissions Liability Exclusions**

This insurance does not apply to "claims" based upon, arising out of, related to, resulting from, in connection with any actual or alleged:

- a. Fraud, collusion, dishonesty, criminal or malicious acts committed by or at the direction of an insured, if a final adjudication establishes such fraud, collusion, dishonesty, criminal or malicious acts, and then only as to such insured. The fraud, collusion, dishonesty, criminal or malicious "wrongful acts" of an insured shall not be imputed to any other insured for the purposes of this exclusion.
- b. Violation of civil rights, whether based on federal, state, local or common law, including, but not limited to discrimination on account of race, religion, sex, age, familial status or disability including failure to accommodate or provide access.
- c. Profits or losses, including an accounting of these profits or losses, resulting from the purchase or sale of any securities.
- d. Pollution, including any:
  - (1) Request, demand or order that you or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effect of pollutants; or
  - (2) Actual, alleged or threatened discharge, release, escape, seepage, migration or disposal of pollutants into or on real or personal property, water or the atmosphere.

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.
- e. Defect, including any "construction defect", in property owned by, rented to, in the charge of or occupied by the insured community association or its unit owners.

- f. Violation of the responsibilities, obligations or duties imposed upon fiduciaries by the Employee Retirement Income Security Act of 1974, as amended, or similar provisions of federal, state or local statutory or common law.
- g. "Third party discrimination" or "employment practices wrongful act".
- h. "Wrongful act" for which a "claim" is brought or maintained by or on behalf of the insured community association with the solicitation, assistance, participation or intervention of any current or former director, officer or trustee of the insured community association.
- i. Breach of any oral or written contract or agreement, or for liability assumed by the insured under any such contract or agreement, except for liability of the insured that would have existed in the absence of such contract or agreement. However, this exclusion shall not apply to the insurer's duty to defend and to pay defense costs.
- j. Fact, circumstance or situation which has been the subject of any notice given under any directors and officers liability policy or coverage.
- k. Liability of any insured in their capacity as a builder, developer, sponsor, general contractor, sub-contractor, architect, engineer, design professional, or affiliate of such.
- l. "Wrongful act" that first occurred prior to the retroactive date shown in the Declarations for Directors and Officers Errors and Omissions Liability. For the purposes of this exclusion, "interrelated wrongful acts" are excluded if the first such "interrelated wrongful act" took place, or is alleged to have taken place, prior to the retroactive date.
- m. "Wrongful act" or "interrelated wrongful act" which any "designated insured" had knowledge of prior to the Prior Knowledge Date shown in the Declarations.
- n. Fact, circumstance or situation which has been the subject of any notice given under any other directors and officers errors and omissions liability policy or coverage.

### 3. Third Party Discrimination and Employment Practices Liability Exclusions

This insurance does not apply to "claims" based upon, arising out of, related to, resulting from, in connection with any of the following, whether actual or alleged:

#### a. Acts Unrelated To the Covered Location

"Employment wrongful act" related to the ownership, maintenance, management, use, or operations of any location other than the "covered location".

#### b. Consequential Loss or Damages

Consequential loss or damages claimed by a claimant's domestic partner, spouse, child, parent, brother or sister, or any other relative related by blood, marriage or adoption, including but not limited to derivative claims, loss of consortium, emotional distress, lost wages or income.

#### c. Retroactive Date

"Wrongful act" that first occurred prior to the retroactive date shown in the Declarations for Third Party Discrimination and Employment Practices Liability. For the purposes of this exclusion, "interrelated wrongful acts" are excluded if the first such "interrelated wrongful act" took place or is alleged to have taken place prior to the retroactive date.

#### d. Contractual Liability

Obligation of an insured to pay by reason of the assumption of another's liability for an "employment wrongful act" in a contract or agreement. This exclusion will not apply to liability for damages because of an "employment wrongful act" that any insured would have without the contract or agreement.

#### e. Employees of Property Manager

"Employment wrongful act" committed or alleged to be committed against an employee of the "property manager".

#### f. Employment Related Laws

Violation of any of the following laws, including any amendments thereto:

- (1) Any worker's compensation, disability benefits or unemployment compensation law, social security and other employment benefits law;
- (2) The Employee Retirement Income Security Act of 1974 Public Law 93-406;

- (3) The Fair Labor Standards Act (except the Equal Pay Act);
- (4) The National Labor Relations Act;
- (5) The Worker Adjustment and Retraining Notification Act;
- (6) The Consolidated Omnibus Budget Reconciliation Act of 1985;
- (7) The Occupational Safety and Health Act; or
- (8) Any other federal, state or local statute, ordinance, regulations or common law similar to any statute or law described in this exclusion;

However, this exclusion shall not apply to any "claim" alleging:

- (a) Violation of the Family and Medical Leave Act or any other similar state or local statute, ordinance, regulations or common law; or
- (b) Retaliatory treatment of the claimant on account of the claimant's exercise of rights pursuant to such statute, ordinance, regulations or common law.

**g. Fraud and Collusion**

Fraud, collusion, dishonesty, criminal or malicious acts committed by or at the direction of an insured, if a final adjudication establishes such fraud, collusion, dishonesty, criminal or malicious acts and then only as to such insured. The fraud, collusion, dishonesty, criminal or malicious "wrongful acts" of an insured shall not be imputed to any other insured for the purposes of this exclusion.

**h. Insurance Plan Benefits**

Obligation to pay insurance plan benefits by or on behalf of current or former employees, or that to which a claimant would have been entitled as an employee had the insured community association provided the claimant with a continuation of insurance.

**i. Prior Knowledge**

"Wrongful act" or "interrelated wrongful act" which any "designated insured" had knowledge of prior to the Prior Knowledge Date shown in the Declarations.

**j. Prior Notice**

Fact, circumstance or situation which has been the subject of any notice given under any other employment practices liability policy or coverage.

**k. Wage and Hour Law**

Violation of any state or local wage and hour law, or failure to pay salary, wages, business expenses or gratuities under any statute, ordinance, regulation or common law. However, this exclusion does not apply to any "claim" of any actual or alleged retaliatory treatment of the claimant on account of the claimant's exercise of rights pursuant to any such laws.

**E. LIMITS OF INSURANCE**

The Annual Aggregate Limit of Liability shown in the Declarations is the most we will pay for covered "loss" arising from all "claims" first made during the "policy period", or Extended Reporting Period, if applicable under the Directors and Officers Errors and Omissions Liability and Third Party Discrimination and Employment Practices Liability Coverage, regardless of the number of insureds, "claims" made, persons or organizations making "claims" or number of applicable coverages.

The Annual Aggregate Limit of Liability applies separately to each consecutive annual "policy period". If the "policy period" is extended, the Limits of Liability shown in the Declarations shall not in any way increase. For purposes of the Limits of Liability, any policy extension is considered to be part of and not in addition to the former "policy period".

**1. Directors and Officers Errors and Omissions Liability**

- a. The Each Claim Limit of Liability shown in the Declarations for Directors and Officers Errors and Omissions Liability limits is the most we will pay regardless of the number of insureds, "claims" made, or persons or organizations making "claims".
- b. We will pay "loss" resulting from any single "claim" only to the extent the "loss" exceeds the retention amount shown in the Declarations.

## **2. Third Party Discrimination and Employment Practices Liability**

- a. The Each Claim Limit of Liability shown in the Declarations for Third Party Discrimination and Employment Practices Liability limits is the most we will pay regardless of the number of insureds, "claims" made, or persons making "claims".
- b. We will pay "loss" resulting from any single "claim" only to the extent the "loss" exceeds the retention amount shown in the Declarations.

## **F. RETENTION**

1. The retentions set forth in the Declarations apply separately to each "claim". Defense costs and "loss" are subject to the retentions. However, defense costs and "loss" incurred before an insured provides written notice of the "claim" to us, or incurred without our written consent, will not apply towards any retention.
2. The insured community association shall bear at its own risk the amount of the applicable retention. If we pay part or all of the retention to defend or settle a "claim", you will promptly reimburse us for the part of the retention paid by us.
3. No retention amount shall apply to defense costs or "loss" incurred by insured natural persons if the insured community association is not permitted or required to indemnify the insured natural persons for such defense costs or "loss" or if the insured community association is financially insolvent.
4. If, prior to terminating or demoting an "employee", the "insured" consults with and follows the advice of a labor law attorney approved by us, then the Third Party Discrimination and Employment Practices Liability retention is reduced by 50% in the event the "insured" faces a "claim" resulting from such termination or demotion.

## **G. EXTENDED REPORTING PERIOD**

1. If a Limit of Liability for Directors and Officers Errors and Omissions Liability and/or Third Party Discrimination and Employment Practices Liability is shown in the Declarations, and one or both of these coverages is:

- a. Cancelled for any reason other than nonpayment of premium; or
- b. Not renewed;

the Named Insured shall have the right to purchase an Extended Reporting Period for that coverage. When purchased, the Extended Reporting Period shall commence on the effective date of the cancellation or nonrenewal described above. The Extended Reporting Period shall only apply to "claims" first made against the insured during the Extended Reporting Period for "wrongful acts" committed on or after the applicable retroactive date shown in the Declarations and prior to the end the "policy period" or the effective cancellation or nonrenewal date, whichever occurs first. Such "claims" must be reported to us as soon as practicable, but in no event more than 60 days after the end of the Extended Reporting Period.

For purposes of the Limit of Liability, the Extended Reporting Period is part of, and not in addition to, the "policy period". The Extended Reporting Period will not, in any way, increase the applicable Limit of Liability shown in the Declarations.

2. You may request an Extended Reporting Period of 12, 24 or 36 months. We must receive your written request to purchase an Extended Reporting Period within 60 days after the end of the "policy period" set forth in the Declarations or the effective cancellation or nonrenewal date, whichever occurs first.

The additional premium for an Extended Reporting Period will be a percentage of the expiring annual premium charged for Directors and Officers Errors and Omissions Liability and/or Third Party Discrimination and Employment Practices Liability for the last "policy period", as follows:

- a. One year - 75%;
- b. Two years - 140%; and
- c. Three years - 200%.

We will issue an Extended Reporting Period endorsement upon receipt of your written request. You must pay the additional premium for the Extended Reporting Period when due. If payment is not received when due, the endorsement is null and void. The additional premium will be fully earned when the Extended Reporting Period Endorsement takes effect. If payment is received when due, the endorsement may not be cancelled by us.

## **H. LIABILITY CONDITIONS**

Insurance provided under this **Section I** is subject to the following conditions:

## 1. Duties In The Event Of "Claim"

In the event of a "claim", you and any other involved insured must:

- a. Provide the identity of any person alleging any "wrongful act";
- b. Provide the identity of any insured who allegedly committed the "wrongful act";
- c. Provide the identity of any witnesses to the alleged "wrongful act";
- d. Provide the date(s) of an alleged "wrongful act";
- e. Immediately send us copies of any demands, notices, summonses, or legal papers received in connection with a "claim";
- f. Authorize us to obtain statements, records and other information relating to such "claim" and its defense;
- g. Cooperate with us in the investigation, settlement, or defense of the "claim"; and
- h. 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 "loss" to which this insurance may also apply.

## 2. Legal Action Against Us

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

- 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 under this Coverage Form 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 obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this Coverage Form, or that are in excess of the applicable limit of liability. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

## 3. Merger, Acquisition or Control

If, during the "policy period", any of the following changes occur:

- a. The acquisition of the insured community association or of all or substantially all of its assets, by another entity, or the merger or consolidation of the insured community association into or with another entity such that the insured community association is not the surviving entity; or
- b. The obtaining by any person, entity or affiliated group of persons or entities of the right to elect, appoint or designate over fifty percent (50%) of the directors, officers or trustees of the insured community association;

coverage with respect to the insured community association will continue in full force and effect with respect to "claims" for "wrongful acts" committed before such change. However, coverage will cease with respect to "claims" for "wrongful acts" committed on or after the date of such change. After any such change, this policy may not be cancelled, regardless of condition **III.B. Cancellation**, and the premium for this coverage will be fully earned.

## 4. Notice of Wrongful Acts

If during the "policy period" or any Extended Reporting Period:

- a. You become aware of any "wrongful act" which may reasonably be expected to give rise to a "claim"; and
- b. You give written notice to us of the specific "wrongful act," including the full particulars as to the dates and persons involved, the injury or damage which has or may result therefrom, the circumstances by which the insured first became aware of the "wrongful act", and the reasons for anticipating such a "claim";

then any "claim" which is subsequently made against an insured arising directly out of such "wrongful act" shall be considered made at the time such notice was given to us.

## 5. Other Insurance

If other valid and collectible insurance is available to the insured for a "claim" we cover, this insurance is excess over any such other insurance, whether primary, excess, contingent or on any other basis.



When this insurance is excess, 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 deductibles, retentions and self-insured amounts under such other insurance.

## **6. Where Coverage Is Provided**

This insurance only applies to "claims" made in the United States of America, including its territories and possessions and Puerto Rico, for "wrongful acts" committed in the United States of America including its territories and possessions and Puerto Rico.

## **I. DEFINITIONS**

1. "Advertisement" means widespread dissemination of information or images to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. "Advertisement" includes:

- a. Material placed on the Internet or on similar electronic means of communication about your goods, products or services for the purpose of attracting customers or supporters; 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.

However, "advertisement" does not include any:

- a. Design, printed material, information or images contained in, on or upon the packaging or labeling of any goods or products; or
- b. Display of goods, products or services at your physical place of business or at any other physical location such as in showrooms or at trade shows.

2. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

3. "Claim" means:

- a. A written demand seeking monetary damages or non-monetary relief;
- b. A civil "suit" seeking monetary damages or non-monetary relief;
- c. A formal administrative or regulatory proceeding, formal investigative order or similar document, including a filing seeking a Right to Sue an insured; or
- d. The filing of any complaint against an insured with the EEOC, DFEH, or any similar administrative court or organization,

against an insured for a "wrongful act".

However, "claim" does not include any criminal proceeding or investigation.

4. "Construction defect" means any actual or alleged defective, faulty or delayed construction, including, but not limited to, in whole or part, any:

- a. Construction, manufacture or assembly of any property;
- b. Faulty or incorrect designs or plans, including but not limited to, architectural, plumbing, electrical and structural;
- c. Improper soil testing;
- d. Inadequate or insufficient protection from subsoil, ground water or earth movement or subsidence;
- e. Failure to provide construction related goods or services as represented or to pay for such goods or services; or
- f. The supervision of any of the activities described in items a. through e. above.

5. "Covered location" means:

- a. Any premises owned by, rented to, in the charge of or occupied by the insured community association; and
- b. All units comprising the insured community association.

6. "Designated insured" means any director, officer, trustee, employee with managerial or risk management responsibilities, or "property manager" of the insured community association.
  7. "Employee" means an individual hired and paid directly by the insured community association to provide labor or services under the direct supervision of the insured community association, or any covered entity. This includes part time, seasonal and temporary employees as well as any individual employed in a supervisory, managerial or confidential position. "Employee" also includes volunteers, but only while acting on behalf of and under the direct supervision of the insured community association. "Employee" does not include an individual who is an independent contractor or subcontractor, an individual leased to another employer or an individual who is an employee of the "property manager".
  8. "Employment practices wrongful act" means any of the following actual or alleged acts related to employment committed by an insured against an "employee" or former "employee" or applicant for employment with an Insured entity:
    - a. Wrongful dismissal, discharge or termination of employment, whether actual or constructive;
    - b. Employment related misrepresentation;
    - c. Wrongful deprivation of career opportunity, including demotion or failure to employ or promote;
    - d. Wrongful discipline;
    - e. Negligent employee evaluation;
    - f. Workplace harassment or bullying based on race, color, religion, age, sex, disability, pregnancy, sexual orientation, national origin, or any other basis prohibited by federal, state or local law;
    - g. Termination, demotion, failure or refusal to hire or promote, denial of an employment benefit or the taking of any adverse or differential employment action because of race, color, religion, age, sex, disability, pregnancy, sexual orientation, national origin, or any other basis prohibited by federal, state or local law;
    - h. Employment-related:
      - (1) Libel;
      - (2) Slander;
      - (3) Defamation of character;
      - (4) Invasion of privacy;
      - (5) False imprisonment;
      - (6) Detention; or
      - (7) Malicious prosecution.

"Employment practices wrongful act" includes retaliation "claims" related to any allegation of an act listed in **a.** through **h.** above. However, it does not include "claims" for actual or alleged violation of any federal, state or local wage and hour law, or any actual or alleged failure to pay salary, wages, business expenses or gratuities under any statute, ordinance, regulation or common law.
  9. "Employment wrongful act" means "employment practices wrongful act" and "third party discrimination".
  10. "Interrelated wrongful acts" mean "wrongful acts" that are temporally, logically or causally connected by any common fact, circumstance, situation, event, transaction or series of facts, circumstances, situations, events or transactions.
  11. "Loss" means the total amount which the insured becomes legally obligated to pay as damages, judgments or settlements on account of all "claims" made against the insured for "wrongful acts" to which this insurance applies. "Loss" includes prevailing party attorney fees, regardless of whether they are deemed to be damages or costs, but only to the extent the prevailing party attorney fees are for "wrongful acts" to which this insurance otherwise applies.
- However, "loss" does not include:
- a. Defense costs;
  - b. Taxes, fines, penalties or liquidated damages;
  - c. Any non-monetary relief, including but not limited to the cost to comply with any injunction, order or agreement to provide such relief;

- d.** The multiple portion of any multiplied damage award, or punitive or exemplary damages;
  - e.** Any amounts that are uninsurable under applicable state law;
  - f.** Any amount for which the insured is not financially liable or for which there is no legal recourse against the insured; or
  - g.** Costs:
    - (1)** To modify or adapt any building or property in order to make such building or property more accessible or accommodating to any disabled person;
    - (2)** Associated with eliminating non-essential duties from the job description of a disabled person;
    - (3)** Associated with providing a disabled person with reasonable workplace accommodations; and
    - (4)** Associated with lost productivity by an employer as the result of making a reasonable workplace accommodation for a disabled person.
- 12.** "Media material" means any information in electronic form, including words, sounds, numbers, images, or graphics and shall include advertising, video, streaming content, web-casting, online forum, bulletin board and chat room content. However, it does not include computer software or the actual goods, products or services described, illustrated or displayed in such "media material".
- 13.** "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.** Wrongful eviction from, wrongful entry into, or physical invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of an insured;
  - d.** Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
  - e.** Oral or written publication of material that violates a person's right of privacy;
  - f.** The use of another's advertising idea in your "advertisement"; or
  - g.** Infringing upon another's copyright, trade dress or slogan in your "advertisement".
  - h.** Display of "media material" on the insured community association's website, or on social media web pages created and maintained by or on behalf of the insured community association.
- 14.** "Policy period" means the period of time from the inception of this policy to the expiration date stated in the Declarations, or its earlier cancellation, if applicable. Any renewal of this policy constitutes a separate and distinct "policy period".
- 15.** "Property damage" means:
- a.** Physical injury to, destruction of, or loss of use of any tangible property; or
  - b.** Loss of use of tangible property that is not physically injured.
- All loss of use shall be deemed to occur at the time of the physical injury, destruction or occurrence that caused it.
- 16.** "Property manager" means any person or organization providing real estate property management services to the insured community association pursuant to a written contract:
- a.** Currently in effect or becoming effective during the "policy period"; and
  - b.** Executed and signed prior to the "wrongful act".
- 17.** "Subsidiary" means:
- a.** Any non-profit organization in which the Named Insured listed in the Declarations has the right to elect or appoint more than 50 percent (50%) of the directors or trustees, and
  - b.** Any other organization specifically included as a "subsidiary" by written endorsement to this Coverage Form.

18. "Suit" means a civil proceeding against an insured in which damages or other relief, to which this insurance applies, are alleged. "Suit" includes an arbitration or mediation proceeding to which such insured must submit, or to which the insured voluntarily submits with our consent. For purposes of Third Party Discrimination and Employment Practices Liability, "suit" also includes a formal administrative or regulatory proceeding, including a proceeding seeking a Right to Sue any insured.
19. "Third party discrimination" means actual or alleged acts of discrimination or harassment by an insured against any natural person who is not an employee of any insured based on race, color, religion, age, sex, disability, pregnancy, sexual orientation, national origin, or any other basis prohibited by federal, state or local law. However, "third party discrimination" does not include actual or alleged acts of assault or battery.
20. "Wrongful act" means any actual or alleged act, error, omission, misstatement, misleading statement, neglect, or breach of duty committed or allegedly committed by any insured arising solely from their responsibilities for the insured community association. "Wrongful act" also includes "employment practices wrongful acts" and "third party discrimination".

## **SECTION II - CRISIS RESPONSE COVERAGE**

### **A. COVERAGE**

If a Limit of Insurance is shown in the Declarations for Crisis Response, we will reimburse the Named Insured for reasonable and necessary expenses incurred for "crisis response services":

1. Provided following a "covered crisis incident"; and
2. Rendered within 180 days of the "covered crisis incident".

We will not reimburse you for expenses incurred after this 180-day period, even if they are related to other expenses which began during the 180-day coverage period.

### **B. EXCLUSIONS**

This insurance does not apply to:

1. Acts committed by you, or any of your directors, officers, trustees or "property managers"; or
2. Expenses for "crisis response services" for individuals who voluntarily participated in or were responsible for the "covered crisis incident".

### **C. WHO IS AN INSURED**

The term insured when used in **Section II** means the Named Insured listed in the Declarations.

### **D. LIMIT OF INSURANCE**

The Annual Aggregate Limit of Insurance shown in the Declarations for Crisis Response coverage is the most we will pay for all expenses for "covered crisis incidents" in any one "policy period". The Limit of Insurance for Crisis Response coverage is separate from and applies in addition to the Preferred Community Association Management Annual Aggregate Limit shown in the Declarations.

With respect to a "covered crisis incident" that begins in one "policy period" and continues into the next, all expenses for "covered crisis services" are deemed to be sustained in the "policy period" in which that "covered crisis incident" began.

If the "policy period" is extended, the Limits shown in the Declarations shall not in any way increase. For purposes of the Limit of Insurance, any policy extension is considered to be part of and not in addition to the former "policy period".

### **E. CONDITIONS**

#### **1. Admission Of Liability**

Any payment under this coverage is not an admission of liability by any insured or by us.

#### **2. Legal Action Against Us**

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

- a. There has been full compliance with all of the terms of this insurance; and
- b. The action is brought within two years after the date on which the "covered crisis incident" occurred.

### **3. Notice Of A Crisis Incident**

You must give us prompt notice of a "covered crisis incident", but in no event more than 90 days after you have first paid for any "crisis response services" incurred as a result of such incident.

### **4. Other Insurance**

If "crisis response services" are also covered elsewhere under this policy or any other policy, we will reimburse you only for expenses you incurred for "crisis response services" in excess of the amount due from such other insurance, whether collectible or not.

### **5. Proof of Expenses and Reimbursement**

As soon as possible after a "covered crisis incident", you must provide us with:

- a. Full particulars regarding the nature and extent of "crisis response services" for which reimbursement is being sought;
- b. Copies of invoices and proof of payments for all expenses for which you are requesting reimbursement; and
- c. Any other pertinent information we may request that will assist us in determining the amount due and payable.

## **F. DEFINITIONS**

1. "Covered crisis incident" means a violent act done with malice and intent to cause injury or death to a person or persons at or within 100 feet of a "covered location" which results in "serious bodily injury" or death to three or more persons at such location.
2. "Crisis response services" means those reasonable and necessary expenses for the items listed below that are directly due to and incurred because of a "covered crisis incident":
  - a. First aid or emergency care at the time of the "covered crisis incident";
  - b. Ambulance, hospital, medical, surgical, nursing, X-Ray and dental services, including prosthetic devices;
  - c. Professional counseling services for up to 180 days after a "covered crisis incident";
  - d. Funeral expenses; and
  - e. Increased temporary security measures.
3. "Policy period" means the period of time from the inception of this policy to the expiration date stated in the Declarations, or its earlier cancellation, if applicable. Any renewal of this policy constitutes a separate and distinct "policy period".
4. "Serious bodily injury" means any injury to a person that creates a substantial risk of death, serious permanent disfigurement, or protracted loss or impairment of the function of any bodily member or organ.

## **SECTION III - COMMON CONDITIONS**

All insurance provided under this Coverage Form is subject to the following conditions:

### **A. BANKRUPTCY**

Bankruptcy or insolvency of the insured community association will not relieve us of our obligations under this Coverage Part.

### **B. CANCELLATION**

1. The first Named Insured shown in the Declarations may cancel this Coverage Form by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this Coverage Form by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium.
  - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The "policy period" will end on that date.

5. If this Coverage Form is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

**C. CONCEALMENT, MISREPRESENTATION OR FRAUD**

1. This Coverage Form is void in any case of fraud by you as it relates to this Coverage Form at any time. It is also void if you or any other insured, at any time, intentionally conceals or misrepresents a material fact concerning:
  - a. This Coverage Form;
  - b. The Covered Property;
  - c. Your interest in the Covered Property; or
  - d. A claim under this Coverage Form.
2. By accepting this coverage, you agree:
  - a. The statements and representations made during or as part of the application process for this coverage are accurate and complete;
  - b. We have issued this Coverage Form in reliance upon your statements and representations;
  - c. If any material statements or representations we relied upon in issuing this Coverage Form are untrue, this Coverage Form shall be voidable; and
  - d. If an insured intentionally conceals or misrepresents a material fact or commits fraud relating to a "claim", then we will not pay for any "loss" or damage sustained by that insured.

**D. NONRENEWAL**

1. If we decide not to renew this Coverage Form, we will mail or deliver written notice of the nonrenewal to the Named Insured not less than 30 days before the expiration date.
2. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
3. If notice is mailed, proof of mailing will be sufficient proof of notice.

**E. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US**

If you have rights to recover all or part of any payment we have made under this Coverage Form, those rights are transferred to us. You must do nothing to impair such rights. At our request, you will transfer those rights to us and help us enforce such rights.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

# CONDOMINIUM PROPERTY COVERAGE FORM

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

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

Other words and phrases that appear in quotation marks have special meaning.

Refer to Section H - Property Definitions.

## **A. COVERAGE**

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

### **1. COVERED PROPERTY**

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

**a. Building and structure described in the Declarations, including:**

- (1)** Completed additions;
- (2)** Fixtures outside of individual units, including outdoor fixtures;
- (3)** Permanently installed:
  - (a)** Machinery; and
  - (b)** Equipment;
- (4)** Personal property owned by you that is used to maintain or service the building or structure or its premises, including:
  - (a)** Fire extinguishing equipment;
  - (b)** Outdoor furniture;
  - (c)** Floor coverings; and
  - (d)** Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering that are not contained within individual units;
- (5)** If not covered by other insurance:
  - (a)** Additions under construction, alterations and repairs to the building or structure;
  - (b)** Materials, equipment, supplies, and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the building or structure; and

But Buildings does not include personal property owned by, used by or in the care, custody or control of a unit-owner except for personal property listed in Paragraph **A.1.a.(4)** above.

**b. Business Personal Property located in or on the building described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises, consisting of the following:**

- (1)** Personal property owned by you or owned indivisibly by all unit-owners;
- (2)** Your interest in the labor, materials or services furnished or arranged by you on personal property of others;

- (3) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under personal property of others.
- (4) Electronic Data Processing Equipment (Hardware), including:
  - (a) Programmable electronic equipment that is used to store, retrieve and process data; and
  - (b) Associated peripheral equipment that provides communication, including input and output functions such as printing, or auxiliary functions such as data transmission

Except as described in (5) below.

- (5) Electronic Media and Records (including Software), including:
  - (a) Electronic data processing, recording or storage media such as films, tapes, discs, drums or cells;
  - (b) Data stored on such media; and
  - (c) Programming records used for electronic data processing or electronically controlled equipment.

Business Personal Property does not include personal property owned only by a unit-owner, unless it is in your care, custody or control as covered below.

This also includes property of others that is in your care, custody or control except as otherwise provided in Loss Payment Property Loss Condition **E.5.d.(3)(b)**.

## **2. PROPERTY NOT COVERED**

Covered Property does not include:

- a. Any of the following types of property contained within a unit:
  - (1) Fixtures, improvements and alternations that are part of the building structure;
  - (2) Appliances, such as those used for refrigerating, ventilating, cooking, dishwashing, laundering, security or housekeeping; and
  - (3) Any other personal property owned by, used by or in the care, custody or control of a unit-owner.
- b. Aircraft, automobiles, motorcycles and other vehicles subject to motor vehicle registration;
- c. "Money" or "securities" except as provided in the:
  - (1) Money and Securities Optional Coverage; or
  - (2) Employee Dishonesty Optional Coverage;
- d. Contraband, or property in the course of illegal transportation or trade;
- e. Land (including land on which the property is located), water, growing crops or lawns;
- f. Fences, walls, walks, driveways and pools, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, signs (other than signs attached to buildings), trees, shrubs or plants, all except provided in the:
  - (1) Outdoor Property Coverage Extension; or
  - (2) Outdoor Signs Optional Coverage;
  - (3) Specified Property Optional Coverage;
- g. Watercraft (including motors, equipment and accessories while afloat.
- h. Property held as samples, held for rental or sale or that you rent to others;
- i. Electronic data processing equipment which is permanently installed or designed to be permanently installed in any aircraft, watercraft, motortruck or other vehicle subject to motor vehicle registration; or
- j. Accounts, bills, evidences of debt and "valuable papers and records". However such property is Covered Property in its "converted data" form.



### 3. COVERED CAUSES OF LOSS

Risks of Direct Physical Loss unless the loss is:

- a. Excluded in Section B., Exclusions; or
- b. Limited in Paragraph A.4., Limitations; that follow:

### 4. LIMITATIONS

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

- (1) Steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment. But we will pay for the loss of or damage to such equipment caused by or resulting from an explosion of gases or fuel within the furnace of any fired vessel or within the flues or passages through which the gases of combustion pass.
- (2) Hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment, other than an explosion.
- (3) Property that is missing, but there is no physical evidence to show what happened to it, such as shortage disclosed on taking inventory. This limitation does not apply to the Optional Coverage for Money and Securities.
- (4) Property that has been transferred to a person or to a place outside the described premises on the basis of unauthorized instructions.

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

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

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

- (1) Glass that is part of the interior of a building or structure;
- (2) Containers of property held for sale; or
- (3) Photographic or scientific instrument lenses.

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

- (1) \$2,500 for furs, fur garments and garments trimmed with fur.
- (2) \$2,500 for jewelry, watches, watch movements, jewels, pearls, precious and semi-precious stones, bullion, gold, silver, platinum and other precious alloys or metals. This limit does not apply to jewelry and watches worth \$100 or less per item.
- (3) \$2,500 for patterns, dies, molds and forms.

### 5. ADDITIONAL COVERAGES

#### a. Debris Removal

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

- (a) The date of direct physical loss or damage; or
- (b) The end of the policy period.

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

- (a) The amount we pay for the direct physical loss of or damage to Covered Property; plus
- (b) The deductible in this policy applicable to that loss or damage.

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

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

- (a)** Extract "pollutants" from land or water; or
- (b)** Remove, restore or replace polluted land or water.

**(4)** If:

- (a)** The sum of direct physical loss or damage and debris removal expense exceeds the Limit of Insurance; or
- (b)** The debris removal expense exceeds the amount payable under the 25% Debris Removal Coverage limitation in Paragraph **(2)** above;

We will pay up to an additional \$10,000 for each location in any one occurrence under the Debris Removal Additional Coverage.

#### **b. Preservation Of Property**

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

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

#### **c. Fire Department Service Charge**

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$1,000 for your liability for fire department service charges:

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

#### **d. Collapse**

**(1)** With respect to buildings:

- (a)** 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;
- (b)** A building or any part of a building that is in danger of falling down or caving in is not considered to be in a state of collapse;
- (c)** A part of a building that is standing is not considered to be in a state of collapse even if it has separated from another part of the building;
- (d)** A building that is standing or any part of a building that is standing is not considered to be in a state of collapse even if it shows evidence of cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

**(2)** We will pay for direct physical loss or damage to Covered Property, caused by collapse of a building or any part of a building that is insured under this policy, if the collapse is caused by one or more of the following:

- (a)** The "specified causes of loss" or breakage of building glass, all only as insured against in this policy;
- (b)** Weight of people or personal property;
- (c)** Weight of rain that collects on a roof;

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

The criteria set forth in Paragraphs (1)(a) through (1)(d) do not limit the coverage otherwise provided under this Additional Coverage for the causes of loss listed in Paragraphs (2)(a), (2)(c) and (2)(d).

**(3) With respect to the following property:**

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

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

**(4) If personal property abruptly falls down or caves in and such collapse is not the result of collapse of a building, we will pay for loss or damage to Covered Property caused by such collapse of personal property only if:**

- (a) The collapse was caused by a cause of loss listed in Paragraphs (2)(a) through (2)(d) of this Additional Coverage;
- (b) The personal property which collapses is inside a building; and
- (c) The property which collapses is not of a kind listed in Paragraph (3) above, regardless of whether that kind of property is considered to be personal property or real property.

The coverage stated in this Paragraph (4) does not apply to personal property if marring and/or scratching is the only damage to that personal property caused by the collapse.

Collapse of personal property does not mean cracking, bulging, sagging, bending, leaning, settling, shrinkage or expansion.

**(5) This Additional Coverage, Collapse, will not increase the Limits Of Insurance provided in this policy.**

**e. Association Fees and Extra Expense**

**(1) Association Fees**

- (a) We will pay for Association fees you have been unable, after reasonable effort, to collect from any unit owner(s) whose unit(s) has been rendered uninhabitable due to direct physical loss or damage caused by or resulting from any Covered Cause of Loss. We will only pay for loss of Association Fees that you sustain during the "period of restoration" and occurs within 12 consecutive months after the date of direct physical loss or

damage.

**(b) Association Fees means:**

All monthly expenses charged to condominium unit owners by the Association for the maintenance and upkeep of condominium units and common areas.

**(2) Extra Expense**

**(a)** We will pay necessary Extra Expense you incur during the "period of restoration" that you would not have incurred if there had been no direct physical loss or damage to property at the described premises. The loss or damage must be caused by or result from a Covered Cause of Loss.

**(b)** Extra Expense means expense incurred:

**(i)** To avoid or minimize the suspension of business and to continue "operations":

- i. At the described premises; or
- ii. At replacement premises or at temporary locations, including relocation expenses, and costs to equip and operate the replacement or temporary locations.

**(ii)** To minimize the suspension of business if you cannot continue "operations".

**(iii)** To:

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

We will only pay for Extra Expense that occurs within 12 consecutive months after the date of direct physical loss or damage.

This Additional Coverage is subject to the Limit of Insurance shown for Association Fees and Extra Expense in the Declarations.

**f. Pollutant Clean Up and Removal**

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

- (1)** The date of direct physical loss or damage; or
- (2)** The end of the policy period.

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

**g. Money Orders and Counterfeit Paper Currency**

We will pay for loss due to the good faith acceptance of:

- (1)** Any U.S. or Canadian post office, express company, or national or state (or Canadian) chartered bank money order that is not paid upon presentation to the issuer; or
- (2)** Counterfeit United States or Canadian paper currency;

in exchange for merchandise, "money" or services or as part of a normal business transaction.

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

**h. Forgery And Alteration**

- (1)** We will pay for loss resulting directly from forgery or alternation of, any check, draft, promissory note, bill of exchange or similar written promise of payment in "money" that you or your agent

has issued, or that was issued by someone who impersonates you or your agent.

- (2) If you are sued for refusing to pay the check, draft, promissory note, bill of exchange or similar written promise of payment in "money", on the basis that it has been forged or altered, and you have our written consent to defend against the suit, we will pay for any reasonable legal expenses that you incur in that defense.
- (3) The most we will pay for any loss, including legal expenses, under this Additional Coverage is \$2,500.

#### **i. Ordinance Or Law Coverage**

##### **(1) Coverage 1 - Coverage for Loss to the Undamaged Portion of the building or structure**

If a Covered Cause of Loss occurs to covered building or structure property, we will pay under Coverage 1 for the loss in value of the undamaged portion of the building or structure as a consequence of enforcement of any ordinance or law that:

- (a) Requires the demolition of parts of the same property not damaged by a Covered Cause of Loss;
- (b) Regulates the construction or repair of buildings or structures, or establishes zoning or land use requirements at the described premises; and
- (c) Is in force at the time of loss.

However:

We will not pay for the Increased Cost of Construction:

- (a) Until the property is actually repaired or replaced, at the same or another premises; and
- (b) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years.

We may extend this period in writing during the two years.

If the building or structure is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction is the increased cost of construction at the same premises.

If the ordinance or law required relocation to another premises, the most we will pay for Increased Cost of Construction is the increased cost of construction at the new premises.

Coverage 1 is included within the Limit of Insurance shown in the Declarations as applicable to the covered Building or structure property. Coverage 1 does not increase the Limit of Insurance.

##### **(2) Coverage 2 - Demolition Cost Coverage**

If a Covered Cause of Loss occurs to covered building or structure property, we will pay the cost to demolish and remove debris of undamaged parts of the property caused by enforcement of building, zoning or land use ordinance or law.

Paragraph E.6.d. of the Property Loss Conditions does not apply to Demolition Cost Coverage.

##### **(3) Coverage 3 - Increased Cost of Construction Coverage**

If a Covered Cause of Loss occurs to the covered Building or structure property, we will pay for the increased cost to:

- (a) Repair or reconstruct damaged portions of that building or structure property; and/or
- (b) Reconstruct or remodel undamaged portions of that building or structure property, whether or not demolition is required;

when the increased cost is a consequence of enforcement of building, zoning or land use ordinance or law.

However:

- (a) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by zoning or land use ordinance or law.
- (b) We will not pay for the increased cost of construction if the building or structure is not repaired, reconstructed or remodeled.

Paragraph **E.6.d.** of the Property Loss Conditions does not apply to the Increased Cost of Construction Coverage.

- (4) This Additional Coverage applies only to building or structure property insured on a replacement cost basis.
- (5) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:
  - (a) You were required to comply with before the loss, even when the building or structure was undamaged; and
  - (b) You failed to comply with.
- (6) Under this Additional Coverage, we will not pay any costs associated with the enforcement of an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".
- (7) The most we will pay under this Additional Coverage, for each described building or structure insured under this Coverage Form, is the Ordinance or Law Coverage Limit of Insurance shown in the Declarations.
- (8) This Additional Coverage is not subject to the terms of the Ordinance or Law Exclusion, to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.
- (9) The costs addressed in the Loss Payment Property Loss Condition in this Coverage Form do not include the increased cost attributable to enforcement of an ordinance or law. The amount payable under this Additional Coverage, as stated in **I.(6)** of this Additional Coverage, is not subject to such limitation.

#### **j. Exterior Building Glass**

- (1) We will pay for direct physical loss of or damage to glass, including lettering or ornamentation, that is part of the exterior of a covered building or structure at the described premises. The glass must be owned by you, or owned by others but in your care, custody or control. We will also pay for necessary:
  - (a) Expenses incurred to put up temporary plates or board up openings;
  - (b) Repair or replacement of encasing frames; and
  - (c) Expenses incurred to remove or replace obstructions.
- (2) Paragraph **A.3.**, Covered Causes of Loss and Section **B.**, Exclusions do not apply to this Additional Coverage, except for:
  - (a) Paragraph **B.1.a.**, Earth Movement;
  - (b) Paragraph **B.1.b.**, Governmental Action;
  - (c) Paragraph **B.1.c.**, Nuclear Hazard;
  - (d) Paragraph **B.1.e.**, War And Military Action; and
  - (e) Paragraph **B.1.f.**, Water.
- (3) We will not pay for loss or damage caused by or resulting from:
  - (a) Wear and tear;
  - (b) Hidden or latent defect;
  - (c) Corrosion; or
  - (d) Rust.
- (4) The most we pay under this Additional Coverage is the building Limit of Insurance shown in the Declarations.

#### **k. Crime Conviction Reward**

We will pay a crime conviction reward to a person or persons (not to include the Named Insured or any person responsible in any way for the subject crime) providing information which leads to a conviction in connection with a loss or damage covered by this policy. The amount of the reward will be equal to the amount of the covered loss, however, in no event will the amount of the reward exceed \$5,000 for any one occurrence.

This limit applies per occurrence regardless of the number of persons providing information.

No deductible applies to this Additional Coverage.

#### **l. Master Key Coverage**

We will pay up to the limits shown in the Declarations for the necessary replacement of locks and keys when a key is lost or stolen.

No deductible applies to this Additional Coverage.

#### **m. Fire Extinguisher Recharge**

We will pay up to \$2,500 per occurrence for the necessary costs to recharge or replace (whichever is less) fire extinguishers owned by the insured that are discharged as a result of extinguishing a covered fire which occurs at a location shown in the Declarations.

No deductible applies to this Additional Coverage.

### **6. COVERAGE EXTENSIONS**

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

#### **a. Newly Acquired or Constructed Property**

- (1) Your new buildings or structures while being built on the described premises; and
- (2) Buildings or structures you acquire at locations, other than the described premises, intended for similar use as the building or structure described in the Declarations.

Coverage under this Extension for each newly acquired or constructed building or structure will end upon the first to occur of the following:

- (a) This policy expires or is terminated;
- (b) The thirtieth day after you acquire or begin to construct the property; or
- (c) You request that the subject building or structure be covered under the policy.

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

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

Deductible:

The deductible applicable to and shown on the Declarations for Building and Structure applies to each loss under this endorsement.

#### **b. Personal Property At Newly Acquired Premises**

You may extend the insurance that applies to Business Personal Property to apply to that property at any premises you acquire.

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

Insurance under this Extension for each newly acquired premises will end when any of the following first occurs:

- (1) This policy expires;
- (2) 30 days expire after you acquire or begin construction at the new premises; or
- (3) You report values to us.

Deductible:

The deductible applicable to and shown on the Declarations for Business Personal Property applies to each loss under this Extension.

We will charge you additional premium for values reported from the date you acquire the premises.

#### **c. Personal Property Off Premises**

You may extend the insurance that applies to Business Personal Property to apply to covered Business Personal Property, other than "money" and "securities", "valuable papers and records" or accounts receivable:

- (1) While it is in the course of transit or temporarily at a premises you do not own, lease or operate for not more than 90 days.
- (2) Including duplicate or back-up electronic media and records that are stored at a separate location which is at least 100 feet from the premises described in the Declarations as applying to electronic media and records.

The most we will pay for loss or damage under this Extension is \$5,000.

#### **d. Outdoor Property**

You may extend the insurance provided by this policy to apply to your radio and television antennas (including satellite dishes), signs (other than signs attached to building), trees, shrubs and plants, including debris removal expense, caused by or resulting from any of the following causes of loss:

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

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

#### **e. Personal Effects**

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

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

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

#### **f. "Valuable Papers And Records"**

- (1) You may extend the insurance that applies to Business Personal Property to apply to direct physical loss or damage to "valuable papers and records" that you own, or that are in your care, custody or control caused by or resulting from a Covered Cause of Loss.

This Coverage Extension includes the cost to research lost information on "valuable papers and records" for which duplicates do not exist.

- (2) The most we will pay under this Coverage Extension for loss or damage to "valuable papers and records" in any one occurrence at the described premises is \$5,000, unless a higher Limit of Insurance for "valuable papers records" is shown in the Declarations.



For "valuable papers and records" not at the described premises, the most we will pay is \$2,500.

(3) Section B. Exclusions of this Coverage Form does not apply to this Coverage Extension except for:

- (a) Paragraph **B.1.b.**, Government Action;
- (b) Paragraph **B.1.c.**, Nuclear Hazard;
- (c) Paragraph **B.1.e.**, War And Military Action;
- (d) Paragraph **B.2.f.**, Dishonesty;
- (e) Paragraph **B.2.g.**, False Pretense;
- (f) Paragraph **B.3.**, and
- (g) The Accounts Receivable and "Valuable Papers and Records" Exclusions.

#### **g. Accounts Receivable**

(1) You may extend the insurance that applies to Business Personal Property to apply to accounts receivable.

We will pay:

- (a) All amounts due from your customers that you are unable to collect;
- (b) Interest charges on any loan required to offset amounts you are unable to collect pending our payment of these amounts;
- (c) Collection expenses in excess of your normal collection expenses that are made necessary by loss or damage; and
- (d) Other reasonable expenses that you incur to re-establish your records of accounts receivable;

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

(2) The most we will pay under this Coverage Extension for loss or damage in any one occurrence at the described premises is \$5,000, unless a higher Limit of Insurance for accounts receivable is shown in the Declarations.

For accounts receivable not at the described premises, the most we will pay is \$2,500.

(3) Section B. Exclusions of this Coverage Form does not apply to this Coverage Extension except for:

- (a) Paragraph **B.1.b.**, Government Action;
- (b) Paragraph **B.1.c.**, Nuclear Hazard;
- (c) Paragraph **B.1.e.**, War And Military Action;
- (d) Paragraph **B.2.f.**, Dishonesty;
- (e) Paragraph **B.2.g.**, False Pretense;
- (f) Paragraph **B.3.**; and
- (g) The Accounts Receivable and "Valuable Papers And Records" Exclusions.

#### **h. Mechanical Breakdown of Electronic Data Processing Equipment**

We will pay for loss or damage to Covered Property due to mechanical breakdown if such loss or damage exceeds in any one occurrence the applicable deductible shown in the Declarations.

We will then pay the amount of loss or damage in excess of the deductible up to the applicable Limit of Insurance for the Covered Property.

This Coverage Extension is included within the Limit of Insurance applying to Electronic Data Processing Equipment at the described premises.

The Electrical Apparatus Exclusion **B.1.d.**, **B.2.a.**, **B.2.c.**, **B.2.d.**, **B.2.i.**, **B.2.k.(3),(4)**, and **(5)** and **B.3.b.** does not apply to this Coverage Extension.

#### **i. Artificially Generated Electrical Current**

We will pay for loss or damage to Electronic Data Processing Equipment due to artificially generated

electrical current if such loss or damage is caused by or results from:

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

If such loss or damage as specified above, exceeds in any one occurrence the applicable deductible shown in the Declarations, we will then pay the amount of loss or damage in excess of the deductible up to the applicable Limit of Insurance for the Equipment.

This Coverage Extension is included within the Limit of Insurance applying to Electronic Data Processing Equipment at the described Location.

The Electrical Apparatus Exclusion **B.1.d.**, **B.2.a.**, **B.2.c.**, **B.2.d.**, **B.2.i.**, **B.2.k.(3)**, **(4)**, and **(5)** and **B.3.b.** does not apply to this Coverage Extension.

## **B. EXCLUSIONS**

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

### **a. Earth Movement**

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

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

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

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

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

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

### **b. Government Action**

Seizure or destruction of property by order of governmental authority.

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

### **c. Nuclear Hazard**

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

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

### **d. Power Failure**

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

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

**e. War And Military Action**

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

**f. Water, Mudslide Or Mudflow**

- (1) We will not pay for loss or damage caused directly or indirectly by any of the following:

- (a) Water, in any form; or
- (b) Mudslide or mudflow;

Such loss or damage is excluded (including all resulting loss or damage, not limited to rust, wet or dry rot or fungi) regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

- (2) However, we will pay for loss or damage, not otherwise excluded, but not for any other resulting damage, caused by:

- (a) Sudden and accidental discharge or leakage of water or steam as a direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) containing water or steam. We will also pay the cost to tear out and replace any part of the building or structure to repair damage to the system or appliance from which the water or steam escapes.

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

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

- (b) Water damage to the interior of any building or structure caused by or resulting from rain, snow, sleet, ice, sand or dust, whether driven by wind or not, if:

- (i) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet, ice, sand or dust enters; or
  - (ii) The loss or damage is caused by or results from thawing of snow, sleet or ice on the building or structure.

- (c) Water, other liquids, powder, molten material leaking or flowing from plumbing, heating, air conditioning or other equipment caused by or resulting from freezing, only if:

- (i) You have taken all necessary measures to maintain heat in the building or structure; or
  - (ii) You drain the equipment and shut off the supply if the heat is not maintained.

- (d) Hail damage to the exterior of the building or structure.

- (e) Water when used to suppress fire.

We will not pay for loss or damage caused by (2)(a), (b), (c) occurring over a period of 14 days or more.

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

**g. Asbestos**

- (1) Loss or damage arising out of, resulting from, caused by, contributed to or aggravated by asbestos or exposure to asbestos;
- (2) Any loss, cost, expense, request, demand, order, claim or suit to test for, monitor, clean up, remove, abate, mitigate, contain, treat, detoxify, neutralize, dispose of or in any way respond to or assess the effects of asbestos or exposure to asbestos.
- (3) Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with the above; and
- (4) Any obligation to share damages with or repay someone else who must pay damages because of such injury or damage.

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

**a. Electrical Apparatus**

Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires. But if artificially generated electrical current results in fire, we will pay for the loss or damage caused by fire.

**b. Consequential Losses**

Delay, loss of use or loss of market.

**c. Smoke, Vapor, Gas**

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

**d. Steam Apparatus**

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

**e. Dishonesty**

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

- (1) Acting alone or in collusion with others;
- (2) Whether or not occurring during the hours of employment.

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

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

**f. False Pretense**

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

**g. Exposed Property**

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

**h. Collapse**

Collapse, except as provided in the Additional Coverage for Collapse. But if collapse results in a

Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

**i. Pollution**

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

**j. Other Types of Loss**

- (1) Wear and tear;
- (2) Rust, corrosion, fungus, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself;
- (3) Smog;
- (4) Settling, cracking, shrinking or expansion;
- (5) Nesting or infestation, or discharge or release of waste products or secretions, by insects, birds, rodents or other animals;
- (6) Mechanical breakdown, including rupture or bursting caused by centrifugal force; or
- (7) The following causes of loss to personal property:
  - (a) Dampness or dryness of atmosphere or changes in or extremes of temperature, unless such conditions result from physical damage caused by a covered cause of loss to an air conditioning unit or system, including equipment and parts, which is part of, or used with the electronic data processing equipment.
  - (b) Marring or scratching.

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

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

**a. Weather Conditions**

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

**b. Acts or Decisions**

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

**c. Negligent Work**

Faulty, inadequate or defective:

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

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

**4. Accounts Receivable And "Valuable Papers And Records" Exclusions**

The following additional exclusions apply to the Accounts Receivable and "Valuable Papers And Records" Coverage Extensions:

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

- (1) Programming errors or faulty machine instructions;
- (2) Faulty installation or maintenance of data processing equipment or component parts;

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

- b. Applicable to "Valuable Papers and Records" only:

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

- (1) Errors or omissions in processing or copying. But if errors or omissions in processing or copying results in fire or explosion, we will pay for the direct loss or damage caused by that fire or explosion.
- (2) Wear and tear, gradual deterioration or latent defect.

- c. Applicable to Accounts Receivable only:

We will not pay for:

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

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

- (2) Loss or damage caused by or resulting from bookkeeping, accounting or billing errors or omissions.
- (3) Any loss or damage that requires any audit of records or any inventory computation to prove its factual existence.

## **5. Electronic Data Processing Equipment and Media**

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

- a. Human errors or omissions in processing, recording or storing information on electronic media and records and electronic data processing equipment.

But we will pay for direct loss or damage caused by resulting fire or explosion.

- b. Electrical or magnetic injury, disturbance or erasure of electronic recordings, except as provided for under Coverage Extensions.

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

- c. Failure, breakdown or malfunction of electronic media and records and electronic data processing equipment, including parts, while the media is being run through the equipment.

But we will pay for direct loss or damage caused by resulting fire or explosion.

- d. Installation, testing, repair or other similar service performed upon the electronic data processing media and records or electronic data processing equipment, including parts.

## **C. LIMITS OF INSURANCE**

- 1. The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.
- 2. The most we will pay for loss of or damage to outdoor signs attached to buildings is \$1,000 per sign in any one occurrence.
- 3. The limits applicable to the Coverage Extensions and the Fire Department Service Charge and Pollutant Clean Up and Removal Additional Coverages are in addition to the Limits of Insurance.
- 4. Building Limit - Automatic Increase

- a. The Limit of Insurance for Buildings will automatically increase by the annual percentage shown in the Declarations.
- b. The amount of increase will be:
  - (1) The building limit that applied on the most recent of the policy inception date, the policy anniversary date, or any other policy change amending the building limit, times
  - (2) The percentage of annual increase shown in the Declarations, expressed as a decimal (example: 8% is .08), times
  - (3) The number of days since the beginning of the current policy year or the effective date of the most recent policy change amending the building limit, divided by 365.

Example:

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

The amount of increase is \$100,000 x .08 x 146 Divided By 365 = \$3,200.

#### **D. DEDUCTIBLES**

1. We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible up to the applicable Limit of Insurance.
2. Regardless of the amount of the Deductible, the most we will deduct from any loss or damage under all of the following Optional Coverages and the Additional Coverage - Exterior Building Glass in any one occurrence is the Optional Coverage/Building Glass Deductible shown in the Declarations:
  - a. Money and Securities;
  - b. Employee Dishonesty;
  - c. Interior Glass; and
  - d. Outdoor Signs.

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

3. No deductible applies to the following Additional Coverages:
  - a. Fire Department Service Charge;
  - b. Extra Expense; and
  - c. Association Fees

#### **E. PROPERTY LOSS CONDITIONS**

##### **1. Abandonment**

There can be no abandonment of any property to us.

##### **2. Appraisal**

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

- a. Pay its chosen appraiser; and
- b. Bear the other expenses of the appraisal and umpire equally.

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

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

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

### **4. Legal Action Against Us**

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

- a. There has been full compliance with all of the terms of this insurance; and
- b. The action is brought within 2 years after the date on which the direct physical loss or damage occurred.

### **5. Loss Payment**

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

- a. At our option, we will either:
- (1) Pay the value of lost or damaged property;
  - (2) Pay the cost of repairing or replacing the lost or damaged property;
  - (3) Take all or any part of the property at an agreed or appraised value, or
  - (4) Repair, rebuild or replace the property with other property of like kind and quality, subject to d.(1)(e) below.
- b. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
- c. We will not pay you more than your financial interest in the Covered Property.
- d. Except as provided in (2) through (8) below, we will determine the value of Covered Property as follows:
- (1) At the replacement cost without deduction for depreciation, subject to the following:
    - (a) If, at the time of loss, the Limit of Insurance on the lost or damaged property is 80% or more of the full replacement cost of the property immediately before the loss, we will pay the cost of repair or replace, after application of the deductible and without deduction for depreciation, but not more than the least of the following amounts:
      - (i) The Limit of Insurance under this policy that applies to the lost or damaged property;
      - (ii) The cost to replace, on the same premises, the lost or damaged property with other



property:

- i. Of comparable material and quality; and
  - ii. Used for the same purpose; or
  - iii. The amount that you actually spend that is necessary to repair or replace the lost or damaged property.
- (b) If, at the time of loss, the Limit of Insurance applicable to the lost or damaged property is less than 80% of the full replacement cost of the property immediately before the loss, we will pay the greater of the following amounts, but not more than the Limit of Insurance that applies to the property:
  - (i) The actual cash value of the lost or damaged property; or
  - (ii) A proportion of the cost to repair or replace the lost or damaged property, after application of the deductible and with deduction for depreciation. This proportion will equal the ratio of the applicable Limit of Insurance to 80% of the cost of repair or replacement.
- (c) You may make a claim for loss or damage covered by this insurance on an actual cash value basis instead of on a replacement cost basis. In the event you elect to have loss or damage settled on an actual cash value basis, you may still make a claim on a replacement cost basis if you notify us of your intent to do so within 180 days after the loss or damage.
- (d) We will not pay on a replacement cost basis for any loss or damage:
  - (i) Until the lost or damaged property is actually repaired or replaced; and
  - (ii) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage.
- (e) The cost to repair, rebuild or replace does not include the increased cost attributable to enforcement of any ordinance or law regulating the construction, use or repair of any property.
- (2) If the "Actual Cash Value - Buildings" option applies, as shown in the declarations, Paragraph (1) above does not apply to Buildings. Instead, we will determine the value of Buildings at actual cash value.
- (3) The following property at actual cash value:
  - (a) Used or second-hand merchandise held in storage or for sale;
  - (b) Property of others, but this property is not covered for more than the amount for which you are liable, plus the cost of labor, materials or services furnished or arranged by you on personal property of others;
  - (c) Household contents, except personal property in apartments or rooms furnished by you as landlord;
  - (d) Manuscripts;
  - (e) Works of art, antiques or rare articles, including etchings, pictures, statuary, marbles, bronzes, porcelains and bric-a-brac.
- (4) Glass at the cost of replacement with safety glazing material if required by law.
- (5) "Valuable papers and records", including those which exist on electronic or magnetic media (other than prepackaged software programs), at the cost of:
  - (a) Blank materials for reproducing the records; and
  - (b) Labor to transcribe or copy the records.

This condition does not apply to "valuable papers and records" and electronic media and records that are actually replaced or restored.
- (6) Applicable only to the Optional Coverages:
  - (a) "Money" at its face value; and
  - (b) "Securities" at their value at the close of business on the day the loss is discovered.

**(7) Applicable only to Accounts Receivable:**

- (a)** If you cannot accurately establish the amount of accounts receivable outstanding as of the time of loss or damage:
  - (i)** We will determine the total of the average monthly amounts of accounts receivable for the 12 months immediately preceding the month in which the loss or damage occurs; and
  - (ii)** We will adjust that total for any normal fluctuations in the amount of accounts receivable for the month in which the loss or damage occurred or for any demonstrated variance from the average for that month.
- (b)** The following will be deducted from the total amount of accounts receivable, however that amount is established:
  - (i)** The amount of the accounts for which there is no loss or damage;
  - (ii)** The amount of the accounts that you are able to re-establish or collect;
  - (iii)** An amount to allow for probable bad debts that you are normally unable to collect; and
  - (iv)** All unearned interest and service charges.
- e.** Our payment for loss of or damage to personal property of others will only be for the account of the owners of the property. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claims against us for the owners property. We will not pay the owners more than their financial interest in the Covered Property.
- f.** We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
- g.** We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss, provided you have complied with all of the terms of this policy, and
  - (1)** We have reached agreement with you on the amount of loss; or
  - (2)** An appraisal award has been made.

If you name an insurance trustee, we will adjust losses with you, but we will pay the insurance trustee. If we pay the trustee, the payments will satisfy your claims against us.

**6. Recovered Property**

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

**7. Resumption of Operations**

We will reduce the amount of your Extra Expense loss to the extent you can return "operations" to normal and discontinue such Extra Expense.

**8. VACANCY**

**a. Description of Terms**

- (1)** As used in this Vacancy Condition, the term building and the term vacant have the meanings set forth in **(1)(a)** and **(1)(b)** below:
  - (a)** When this policy is issued to a tenant, and with respect to that tenants interest in Covered Property, building means the unit or suite rented or leased to the tenant. Such building is vacant when it does not contain enough business personal property to conduct customary operations.
  - (b)** When this policy is issued to the owner of a building, building means the entire building. Such building is vacant when 70% or more of its total square footage:
    - (i)** Is not rented; or
    - (ii)** Is not used to conduct customary operations.

(2) Buildings under construction or renovation are not considered vacant.

**b. Vacancy Provisions**

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

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

- (a) Vandalism;
- (b) Sprinkler leakage, unless you have protected the system against freezing;
- (c) Building glass breakage;
- (d) Water damage;
- (e) Theft; or
- (f) Attempted theft.

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

**F. PROPERTY GENERAL CONDITIONS**

**1. Control of Property**

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance. The breach of any condition of this Coverage Form at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

**2. Mortgageholders**

a. The term "mortgageholder" includes trustee.

b. We will:

- (1) If the condominium is terminated, pay for covered loss of, or damage to, buildings or structures to each mortgageholder shown on the Declarations in their order of precedence, as interests may appear.
- (2) In all other respects, pay for loss to buildings or structures to you or the designated insurance trustee in accordance with the Loss Payment Loss Condition contained in this Coverage Form.

c. The mortgageholder has the right to receive loss payment even if the mortgageholder has started foreclosure or similar action on the building or structure.

d. If we deny your claim because of your acts or because you have failed to comply with the terms of this policy, the mortgageholder will still have the right to receive loss payment if the mortgageholder:

- (1) Pays any premium due under this policy at our request if you have failed to do so;
- (2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
- (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the mortgageholder.

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

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

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

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

- your remaining mortgage debt to us.
- f. If we cancel this policy, we will give written notice to the mortgageholder at least 30 days before the effective date of cancellation.
  - g. If we elect not to renew this policy, we will give written notice to the mortgageholder at least 30 days before the expiration date of this policy.

### **3. No Benefit To Bailee**

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

### **4. Policy Period, Coverage Territory**

Under this form:

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

## **G. OPTIONAL COVERAGES**

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

### **1. Specified Property**

- a. We will pay for direct physical loss of or damage to fences, walls, walks, driveways and pools at the described location.
- b. The most we will pay for this Optional Coverage is the Limit of Insurance shown in the Declarations for Specified Property.

### **2. Outdoor Signs**

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

- e. The provisions of this Optional Coverage supersede all other references to outdoor signs in this policy.

### **3. Interior Glass**

- a. We will pay for direct physical loss of or damage to items of glass that are permanently affixed to the interior walls, floors or ceilings of a covered building or structure at the described premises, provided each item is:
  - (1) Described in the Declarations as covered under this Optional Coverage; and
  - (2) Located in the basement or ground floor level of the building or structure, unless the Declarations show that this Optional Coverage is applicable to interior glass at all floors; and
  - (3) Owned by you, or owned by others but in your care, custody or control.
- b. We will also pay for necessary:
  - (1) Expenses incurred to put up temporary plates or board up openings;
  - (2) Repair or replacement of encasing frames; and
  - (3) Expenses incurred to remove or replace obstructions.
- c. Paragraph 3., Covered Causes of Loss, and Section B., Exclusions, do not apply to this Optional Coverage, except for:
  - (1) Paragraph B.1.b., Government Action;
  - (2) Paragraph B.1.c., Nuclear Hazard; and
  - (3) Paragraph B.1.e., War and Military Action.
- d. We will not pay for loss or damage caused by or resulting from:
  - (1) Wear and tear;
  - (2) Hidden or latent defect;
  - (3) Corrosion; or
  - (4) Rust.
- e. This Optional Coverage supersedes all limitations in this policy that apply to interior glass.

### **4. Money And Securities**

- a. We will pay for loss of "money" and "securities" used in your business while at a bank or savings institution, within your living quarters or the living quarters of your partners or any employee having use and custody of the property, at the described premises, or in transit between any of these places, resulting directly from:
  - (1) Theft, meaning any act of stealing;
  - (2) Disappearance; or
  - (3) Destruction.
- b. In addition to the Limitations and Exclusions applicable to property coverage, we will not pay for loss:
  - (1) Resulting from accounting or arithmetical errors or omissions;
  - (2) Due to the giving or surrendering of property in any exchange or purchase; or
  - (3) Of property contained in any "money"- operated device unless the amount of "money" deposited in it is recorded by a continuous recording instrument in the device.
- c. The most we will pay for loss in any one occurrence is:
  - (1) The limit shown in the Declarations for Inside the Premises for "money" and "securities" while:
    - (a) In or on the described premises; or
    - (b) Within a bank or saving institution; and
  - (2) The limit shown in the Declarations for Outside the Premises for "money" and "securities"

while anywhere else.

**d. All loss:**

- (1) Caused by one or more persons; or
- (2) Involving a single act or series of related acts;

is considered one occurrence.

**e. You must keep records of all "money" and "securities" so we can verify the amount of any loss or damage.**

**5. Employee Dishonesty**

**a. We will pay for direct loss of or damage to Business Personal Property and "money" and "securities" resulting from dishonest acts committed by any of your employees acting alone or in collusion with other persons (except you or your partner) with the manifest intent to:**

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

- (a) Any employee; or
- (b) Any other person or organization.

**b. We will not pay for loss or damage:**

- (1) Resulting from any dishonest or criminal act that you or any of your partners commit whether acting alone or in collusion with other persons.
- (2) The only proof of which as to its existence or amount is:

- (a) An inventory computation; or
- (b) A profit and loss computation.

**c. The most we will pay for loss or damage in any one occurrence is the Limit of Insurance for Employee Dishonesty shown in the Declarations.**

**d. All loss or damage.**

- (1) Caused by one or more persons; or
- (2) Involving a single act or series of related acts;

is considered one occurrence.

**e. We will pay only for loss or damage you sustain through acts committed or events occurring during the Policy Period. Regardless of the number of years this policy remains in force or the number of premiums paid, no Limit of Insurance accumulates from year to year or period to period.**

**f. This Optional Coverage does not apply to any employee immediately upon discovery by:**

- (1) You; or
- (2) Any of your partners, officers or directors not in collusion with the employee;

of any dishonest act committed by that employee before or after being hired by you.

**g. We will pay only for covered loss or damage discovered no later than one year from the end of the Policy Period.**

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

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

i. The insurance under Paragraph h. above is part of, not in addition to, the Limit of Insurance applying to this Optional Coverage and is limited to the lesser of the amount recoverable under:

- (1) This Optional Coverage as of its effective date; or
- (2) The prior insurance had it remained in effect.

j. With respect to coverage provided under this Optional Coverage, "employee" means any natural person who receives compensation for working in your regular service in the ordinary course of your business.

"Employee" also includes your directors, officers, whether compensated or not.

"Employee" does not include any broker, consignee, contractor (such as property management company) or other agent or representative of the same general character.

**Employee Dishonesty** coverage does not apply when your directors, officers and Association managers are performing duties outside the scope of their normal duties as directors, officers or Association managers for the Named Insured.

## H. PROPERTY DEFINITIONS

1. **"Money"** means:

- a. Currency, coins and bank notes in current use and having a face value; and
- b. Travelers checks, register checks and money orders held for sale to the public.

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

3. **"Period of restoration"** means the period of time that:

a. Begins:

- (1) 72 hours after the time of direct physical loss or damage for Business Income Coverage; or
- (2) Immediately after the time of direct physical loss or damage for Extra Expense Coverage;

caused by or resulting from any COVERED CAUSE OF LOSS at the described premises; and

b. Ends on the earlier of:

- (1) The date when the property at the described premises should be repaired, rebuilt or replaced with reasonable speed and similar quality; or
- (2) The date when business is resumed at a new permanent location.

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

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

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

4. **"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.

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

- a. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
- b. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by you;

but does not include "money".

**6. "Specified Causes of Loss" means the following:**

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

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

- (1) The cost of filling sinkholes; or
- (2) Sinking or collapse of land into manmade underground cavities.

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

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

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

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

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

But "valuable papers and records" does not mean:

- d. "Money" or "Securities";
- e. Converted Data;
- f. Programs or instructions used in your data processing operations, including the materials on which the data is recorded.

**8. "Converted data" means information that is stored on electronic media, that is capable of being communicated, processed or interpreted by electronic data processing equipment.**



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

## **BUSINESS LIABILITY COVERAGE TENANTS LIABILITY**

This endorsement modifies insurance provided under the following:

APARTMENTOWNERS LIABILITY COVERAGE FORM  
CONDOMINIUM LIABILITY COVERAGE FORM  
**SCHEDULE\***

**Premises:**

**Tenants Liability Limit Of Insurance (Per Occurrence):**

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

With respect to the coverage provided under this endorsement, the applicable Liability Coverage Form is amended as follows:

**A. Under B.1. Exclusions Applicable To Business Liability Coverage**, the paragraph following **q.(15)** of the applicable Liability Coverage Form is deleted and replaced by the following:

With respect to the premises shown in the Schedule of this endorsement which are rented to you or temporarily occupied by you with the permission of the owner, Exclusions **c., d., e., h., i., l., m., n., o.** and **p.** do not apply to "property damage".

**B. Paragraph D.2. Liability And Medical Expenses Limits Of Insurance** is deleted and replaced by the following:

The most we will pay under this endorsement for the sum of all damages because of all "property damage" arising out of any one "occurrence" to premises rented to you or temporarily occupied by you with the permission of the owner is the Tenants Liability Limit of Insurance shown in the Schedule.

**C. With respect to the premises shown in the Schedule of this endorsement, Paragraph D.3. and Paragraph D.4.b. are deleted.**



## CHANGE TO LIMITS OF INSURANCE

This endorsement modifies insurance provided under the following:

**BUSINESSOWNERS LIABILITY COVERAGE FORM**  
**APARTMENT OWNERS LIABILITY COVERAGE FORM**  
**CONDOMINIUM LIABILITY COVERAGE FORM**

The following provision replaces D.1.

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;
  - c. Persons or organizations making "claims" or bringing "suits"; or
  - d. Policies involved.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



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4th Edition

## EXTENDED REPLACEMENT COST ENDORSEMENT

This endorsement modifies insurance provided under the following:

APARTMENT OWNERS POLICY  
CONDOMINIUM POLICY

- A.** When this endorsement is attached to your policy, we will pay up to 125% of the Limits of Insurance shown on the Declarations Page to repair or replace covered buildings, damaged by a covered loss if:
  - 1. The policy is written on a replacement cost basis; and
  - 2. Buildings, including garages and carports, are insured at policy inception to 100% of their replacement cost; and
  - 3. You accept each annual adjustment in building coverage limits to maintain proper insurance to value, and pay the corresponding premium when due, if this policy is a renewal of a prior policy; and
  - 4. You notify us within 90 days of the start of any physical changes which increase the value of the insured buildings by \$25,000 or more, and pay any additional premium due. This includes any new structures covered under this endorsement and any additions to or remodeling of the buildings.
- B.** Extended Replacement Cost Coverage does not apply to the following:
  - 1. Specified Property, Outdoor Signs or any other appurtenant structures. However, this exclusion does not apply to garages or carports.
  - 2. Any property listed in **A.2. PROPERTY NOT COVERED** of the applicable Property Coverage Form, regardless of any endorsement or declaration page entry which extends coverage to such property.
  - 3. Building upgrades as required by the enforcement of any ordinance or law regulating the use, construction, repair or demolition of the building including debris removal expense.
  - 4. Damage caused by Earthquake, even if earthquake is otherwise covered under this policy.
  - 5. Buildings insured on an Actual Cash Value basis.
- C.** Loss settlement under this endorsement will not exceed the lowest of the following:
  - 1. The replacement cost of the damaged part of the building for equivalent construction and use on the same premises.
  - 2. The amount necessarily spent to repair or replace such property intended for the same occupancy and use.
  - 3. The lesser of Actual Cash Value or Building Policy Limits if the buildings are not repaired or replaced.
  - 4. 125% of the Limits of Insurance shown on the Declarations Page.

This endorsement applies only if indicated on the Declarations Page or schedule of endorsements that is applicable to this policy.

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

## **LEAD POISONING AND CONTAMINATION EXCLUSION**

This endorsement modifies insurance provided under the following:

**APARTMENT OWNERS POLICY**  
**CONDOMINIUM POLICY**

When this endorsement is attached to your policy, the following provisions apply to the applicable **Property** and **Liability Coverage Forms** of your policy.

1. This insurance does not apply to any "bodily injury", "property damage" or "personal and advertising injury" or property loss or damage arising out of, resulting from, caused by or contributed by lead, or any hazardous properties of lead, including, but not limited to, lead poisoning and lead contamination and the threat or fear of lead poisoning or lead contamination.

Lead poisoning includes, but not limited to, actual "bodily injury", "property damage" or "personal and advertising injury" resulting from exposure to, ingestion, of any nature, cause or duration to or of lead, or objects or substances comprised of or containing lead.

Lead contamination includes, but not limited to, the presence of lead in paint, soil, plants, animals, water, pipes, buildings or structures.

For purposes of this exclusion, the definition of "bodily injury" and "personal and advertising injury" is amended to include mental injury, anguish, distress or fear of lead poisoning or lead contamination.

For purposes of this exclusion, the definitions of "property damage" and property loss or damage are amended to include actual or threatened loss of property value, loss of equity, loss of use, loss of rents or other economic injury caused by lead poisoning or lead contamination.

2. We will not for any loss, cost or expense arising out of, resulting from, caused by or contributed to by:
  - a. The testing or monitoring for, abatement, mitigation, neutralization, removal or disposal of lead, lead compounds or materials containing lead;
  - b. The testing or monitoring for or treatment of lead poisoning or lead contamination in humans or animals;
  - c. Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with lead poisoning or lead contamination;
  - d. Any obligation to share damages with or repay someone else who must pay damages in connection with lead poisoning or lead contamination.



## MARIJUANA EXCLUSION

This endorsement modifies insurance provided under the following:

APARTMENT OWNERS POLICY  
CONDOMINIUM POLICY

**A.** The applicable Property Coverage Form is amended as follows:

- 1.** The following is added to Paragraph **A.2. PROPERTY NOT COVERED:**
  - a.** "Marijuana".
- 2.** Coverage under this Policy does not apply to that part of Business Income or Association Fees loss, or Extra Expense incurred due to a suspension of your "operations" which involve the design, cultivation, manufacture, distribution, sale, serving, furnishing, use or possession of "marijuana".
- 3.** Paragraphs **A.1.** and **A.2.** above do not apply to any "marijuana" that is not designed, manufactured, distributed, sold, served or furnished for bodily:
  - a.** Ingestion;
  - b.** Inhalation;
  - c.** Absorption; or
  - d.** Consumption.

**B.** The following exclusion is added to the applicable Liability Coverage Form:

This insurance does not apply to:

- 1.** "Bodily injury", "property damage" or "personal and advertising injury" arising out of, caused by, or attributable to, whether in whole or in part, the following:
  - a.** The design, cultivation, manufacture, distribution, sale, serving, furnishing, use or possession of "marijuana";
  - b.** The actual, alleged, threatened or suspected inhalation, ingestion, absorption or consumption of, contact with, exposure to, existence of, or presence of "marijuana"; or
- 2.** "Property damage" to "marijuana".

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.

However, this exclusion does not apply to any "marijuana" that is not designed, manufactured, distributed, sold, served or furnished for bodily:

- a.** Ingestion;
- b.** Inhalation;
- c.** Absorption; or
- d.** Consumption.

**C.** For the purposes of this endorsement, the following definition is added:

"Marijuana":

**1.** Means:

Any good or product that consists of or contains any amount of Tetrahydrocannabinol (THC), Cannabidiol (CBD) or any other cannabinoid, regardless of whether any such cannabinoid is natural or synthetic.

2. Paragraph **C.1.** above includes, but is not limited to, any of the following containing such cannabinoid:
- a. Any plant of the genus Cannabis L., or any part thereof, such as seeds, stems, flowers, stalks and roots; or
  - b. Any compound, byproduct, extract, derivative, mixture or combination, such as, but not limited to:
    - (1) Resin, oil or wax;
    - (2) Hash or hemp; or
    - (3) Infused liquid or edible marijuana;whether derived from any plant or part of any plant set forth in Paragraph **C.2.a.** above or not.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.



## PLANNED UNIT DEVELOPMENT (PUD) COVERAGE

This endorsement modifies insurance provided under the following:

CONDOMINIUM PROPERTY COVERAGE FORM E3422  
CONDOMINIUM LIABILITY COVERAGE FORM E3314  
CONDOMINIUM COMMON POLICY CONDITIONS E3024

A. The CONDOMINIUM PROPERTY COVERAGE FORM is amended as follows:

1. Paragraph A.1. COVERED PROPERTY is replaced by the following:

### 1. COVERED PROPERTY

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

a. **Building**, meaning multiple-family residential buildings, such as condominiums or townhouses, and the buildings and structures or common areas owned indivisibly by all unit owners and **homeowners** of the Planned Unit Development described in the Declarations, including:

- (1) Completed additions;
- (2) Fixtures outside of individual units, including outdoor fixtures;
- (3) Permanently installed;
  - (a) Machinery; and
  - (b) Equipment;
- (4) Personal property owned by you that is used to maintain or service the buildings or structures or their premises, including;
  - (a) Fire extinguishing equipment;
  - (b) Outdoor furniture;
  - (c) Floor coverings; and
  - (d) Appliances used for refrigerating, ventilating, cooking, dishwashing or laundering that are not contained within individual units;
- (5) If not covered by other insurance:
  - (a) Additions under construction, alterations and repairs to the building or structure;
  - (b) Materials, equipment, supplies, and temporary structures, on or within 100 feet of the described premises, used for making additions, alterations or repairs to the buildings or structures;

**Building** does not include:

- (1) any single-family dwelling; or
- (2) any property within a single-family dwelling; or
- (3) personal property owned by, used by or in the care, custody or control of a unit-owner or **homeowner** except for personal property listed in Paragraph A.1.a.(4) above.

b. **Business Personal Property** located in or on the building of the Planned Unit Development described in the Declarations or in the open (or in a vehicle) within 100 feet of the described premises, consisting of the following:

- (1) Personal property owned by you or owned indivisibly by all unit-owners and **homeowners**;

- (2) Your interest in the labor, materials or services furnished or arranged by you on personal property of others;
- (3) Leased personal property for which you have a contractual responsibility to insure, unless otherwise provided for under personal property of others;
- (4) Electronic Data Processing Equipment (Hardware), including:
  - (a) Programmable electronic equipment that is used to store, retrieve and process data; and
  - (b) Associated peripheral equipment that provides communication, including input and output functions such as printing, or auxiliary functions such as data transmission;

Except as described in (5) below.

- (5) Electronic Media and Records (including Software), including:
  - (a) Electronic data processing, recording or storage media such as films, tapes, discs, drums or cells;
  - (b) Data stored on such media; and
  - (c) Programming records used for electronic data processing or electronically controlled equipment.

Business Personal Property does not include personal property owned only by a unit-owner or a **homeowner**, unless it is in your care, custody or control as covered below.

This also includes property of others that is in your care, custody or control except as otherwise provided in Loss Payment Property Loss Condition E.5.d.(3)(b).

2. Paragraph A.5. **ADDITIONAL COVERAGES** is amended as follows:

Paragraph A.5.e.(1)(b) is replaced by the following:

(b) Association Fees means:

- (i) All monthly expenses charged to condominium unit owners by the Association for the maintenance and upkeep of condominium units and common areas; and
- (ii) All monthly expenses charged to **homeowners** by the Association for the maintenance and upkeep of common areas.

B. The **CONDOMINIUM LIABILITY COVERAGE FORM** is amended as follows:

1. Paragraph C. **WHO IS AN INSURED** is amended as follows:

Paragraphs C.4. and C.5. are replaced as follows:

- 4. The developer in the developer's capacity as a unit-owner or a **homeowner**, but only with respect to the developer's liability arising out of:
  - a. The ownership, maintenance or repair of that portion of the premises which is not owned solely by the developer; or
  - b. The developer's membership in the Association.

However, the insurance afforded with respect to the developer does not apply to liability for acts or omissions as a developer.

- 5. Each unit-owner or **homeowner** of the described Planned Unit Development is an insured, but only with respect to that person's liability arising out of:
  - a. the ownership, maintenance or repair of that portion of the premises which is not owned solely by the unit-owner or **homeowner**; or
  - b. that person's membership in the Association.



C. The **CONDOMINIUM COMMON POLICY CONDITIONS** form is amended as follows:

1. Paragraph **A. Cancellation** is amended as follows.

Paragraph **A.7.** is replaced by the following:

7. No Act or omission by any unit-owner or **homeowner** will void the policy or be a condition to recovery under this policy. But this does not apply to unit-owners or **homeowners** acting within the scope of their authority on behalf of the Association.

2. Paragraph **K. Transfer Of Rights Of Recovery Against Others To Us** is amended as follows:

Paragraph **K.2.a.** is replaced by the following:

a. Any unit-owner or **homeowner**, including the developer, and members of his or her household;

D. As used in this endorsement, **homeowner** means:

Any individual or entity with an ownership interest in any single-family dwelling located within the Planned Unit Development at the premises described in the Declarations.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.



## **BUSINESS INCOME AND EXTRA EXPENSE - PARTIAL SLOWDOWN COVERAGE**

This endorsement modifies insurance provided under the following:

### **APARTMENT OWNERS PROPERTY COVERAGE FORM CONDOMINIUM PROPERTY COVERAGE FORM**

- A.** Section **A.5. Additional Coverages** of the Apartment Owners Property Coverage Form is amended as follows:
- 1.** The following is added to Paragraphs **5.e. Business Income** and **5.f. Extra Expense**:
    - (3)** With respect to the coverage provided in this Additional Coverage, suspension means:
      - (a)** The partial slowdown or complete cessation of your business activities; or
      - (b)** That a part or all of the described premises is rendered untenable, if coverage for Business Income applies.
- B.** Paragraph **5.e. Association Fees and Extra Expense** in Section **A.5. Additional Coverages** of the Condominium Property Coverage Form is amended as follows:
- 1.** The following is added under Sub-paragraph **5.e.(2) Extra Expense**:
    - (c)** With respect to the coverage provided in this Additional Coverage, suspension means:
      - (i)** The partial slowdown or complete cessation of your business activities; or
      - (ii)** That a part or all of the described premises is rendered untenable.
- C.** The following is added to Paragraph **B.4. Business Income And Extra Expense Exclusions** of the Apartment Owners Property Coverage Form:
- c.** With respect to this exclusion, suspension means:
    - (1)** The partial slowdown or complete cessation of your business activities; or
    - (2)** That a part or all of the described premises is rendered untenable, if coverage for Business Income applies.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.



## DRONE AIRCRAFT COVERAGE

This endorsement modifies insurance provided under the:

APARTMENT OWNERS PROPERTY COVERAGE FORM  
CONDOMINIUM PROPERTY COVERAGE FORM

**A.** The following item is added to Paragraph **5. Additional Coverages** under Section **A. Coverage** of the applicable Coverage Form:

### **Drones Direct Damage Coverage**

- a.** We will pay for direct physical loss of or damage to drone aircraft that is used in your business caused by or resulting from a Covered Cause of Loss located anywhere in the coverage territory.
- b.** The reference to aircraft in Paragraph **a.** of the Apartment Owners Property Coverage Form and Paragraph **b.** of the Condominium Property Coverage Form under Section **A.2. Property Not Covered** does not apply to the extent that coverage is provided in this Additional Coverage.
- c.** To the extent that coverage is provided in this Additional Coverage, Section **B. Exclusions** is amended as follows:
  - (1)** Exclusion **B.2.a. Electrical Apparatus** does not apply.
  - (2)** Exclusion **B.2.j.(5)** does not apply to drone aircraft while aloft.
  - (3)** Exclusion **B.2.j.(6) Mechanical Breakdown** does not apply. However, we will not pay for mechanical breakdown caused by or resulting from:
    - (a)** Malfunction including but not limited to adjustment, alignment, calibration, cleaning or modification;
    - (b)** Leakage at any valve, fitting, shaftseal, gland packing, joint or connection; or
    - (c)** Damage to drone aircraft undergoing a pressure or electrical test.
  - (4)** We will not pay for loss or damage caused by or resulting from installation, testing, repair or other similar services performed upon drone aircraft, including its electronic equipment or components.
  - (5)** We will not pay for loss or damage to drone aircraft when such loss or damage occurs while drone aircraft is being used to convey merchandise or goods for delivery to others.
  - (6)** We will not pay for loss or damage to drone aircraft when such loss or damage is caused by or results from drone aircraft being used in any professional or organized racing or demolition contest or stunting activity. We will also not pay for loss or damage that occurs while drone aircraft is being prepared for such contest or activity.
- d.** The most we will pay under this Additional Coverage in any one occurrence is \$10,000, unless a higher limit is shown on the Declarations, but not more than \$2,500 for any one item, unless a higher per item limit is shown on the Declarations. This Additional Coverage will not increase the Business Personal Property Limit of Insurance provided in this policy.

**B.** The following item is added to Paragraph **5. Additional Coverages** under Section **A. Coverage** of the Apartment Owners Property Coverage Form:

### **Drones Business Income and Extra Expense Coverage**

- a.** We will pay for the actual loss of Business Income you sustain due to the suspension of your business activities requiring the use of drone aircraft. The suspension must be caused by direct physical damage to drone aircraft used in your business located anywhere in the coverage territory. The loss or damage must be caused by or result from a Covered Cause of Loss.
  - (1)** The coverage period for Business Income under this Additional Coverage:
    - (a)** Begins 72 hours after the time of direct physical loss or damage to drone aircraft used in your business caused by or resulting from any Covered Cause of Loss; and
    - (b)** Ends on the date when the drone aircraft should be repaired, rebuilt or replaced with reasonable speed and similar quality.

(2) The definition of Business Income contained in Paragraph **A.5.e. Business Income** also applies to this Additional Coverage.

- b. We will pay necessary Extra Expense you incur during the period of restoration that you would not have incurred if there had been no direct physical loss or damage to drone aircraft used in your business located anywhere in the coverage territory.

(1) The coverage period for Extra Expense under this Additional Coverage:

- (a) Begins immediately after the time of direct physical loss or damage to drone aircraft used in your business caused by or resulting from any Covered Cause of Loss; and
- (b) Ends on the date when the drone aircraft should be repaired, rebuilt or replaced with reasonable speed and similar quality.

(2) The definition of Extra Expense contained in Paragraph **A.5.f. Extra Expense** also applies to this Additional Coverage.

- c. The most we will pay under this Additional Coverage is \$10,000 unless a higher limit is shown on the Declarations.

- C. The following item is added to Paragraph **5. Additional Coverages** under Section **A. Coverage** of the Condominium Property Coverage Form:

**Drones Extra Expense Coverage**

We will pay necessary Extra Expense you incur during the period of restoration that you would not have incurred if there had been no direct physical loss or damage to drone aircraft used in your business located anywhere in the coverage territory.

1. The coverage period for Extra Expense under this Additional Coverage:

- a. Begins immediately after the time of direct physical loss or damage to drone aircraft used in your business caused by or resulting from any Covered Cause of Loss; and
- b. Ends on the date when the drone aircraft should be repaired, rebuilt or replaced with reasonable speed and similar quality.

2. The definition of Extra Expense contained in Paragraph **A.5.e.(2) Extra Expense** also applies to this Additional Coverage.

3. The most we will pay under this Additional Coverage is \$10,000 unless a higher limit is shown on the Declarations.

**D. Definition**

For the purposes of this endorsement drone aircraft means unmanned aircraft and all associated support equipment, including its remote control station, communication and navigation equipment, necessary to operate the unmanned aircraft.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

This endorsement changes the policy. Please Read it carefully.

## **MOLD AND MICROORGANISM EXCLUSION**

This endorsement modifies insurance provided under the following

BUSINESS OWNERS COVERAGE FORM  
BUSINESS OWNERS LIABILITY COVERAGE FORM  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
APARTMENT OWNERS LIABILITY COVERAGE FORM  
CONDOMINIUM LIABILITY COVERAGE FORM  
DIRECTORS AND OFFICERS LIABILITY COVERAGE FORM

The following provisions apply to your policy.

**A . Definition:**

1. "Mold" means any type or form of fungus including but not limited to mildew, mycotoxins, spores, scents or by-products produced or released by "mold".
2. "Microorganism" means any organism (animal or plant) of microscopic size, including but not limited to any type or form of bacteria, bacterium, germ, intestinal flora, microbe, pathogen or virus or any part or by-product of any of the above.

**B . This insurance does not apply to any:**

1. "Bodily injury" Property Damage" or "personal and advertising injury" which arising out of, resulting from, caused or contributed to, whether directly or indirectly by "mold" or "microorganism" and 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 "mold" or "microorganism";
2. Any loss, cost or expense arising out 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 effect of "mold" or "microorganism", by any insured or by any other person or entity;
3. Any supervision, instruction, recommendation, warning or advice given or which should have been given in connection with 1 or 2 above; and
4. Any obligation to share with or repay someone else who must pay damages because of such injury or damage.

However this exclusion does not apply to any "mold" or "microorganism" that are on, or are contained in, a good or product intended for consumption.

The above applies regardless of any other cause that contributed concurrently or in any sequence to the injury or damage.



### **POLLUTION EXCLUSION - EXPANDED EXCEPTION**

This endorsement modifies insurance provided under the:

APARTMENT OWNERS LIABILITY COVERAGE FORM  
BUSINESSOWNERS COVERAGE FORM  
CONDOMINIUM LIABILITY COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

**A. Section B. Exclusions** is amended as follows:

1. Subparagraph **(1)(a) of f. Pollution** is deleted and replaced with the following:

- 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;

2. The second paragraph following paragraph **f.(1) Pollution** is deleted and replaced with the following:

Subparagraph **(d)(i)** does not apply to "bodily injury" or "property damage" arising out of heat, smoke or fumes from a hostile fire.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.



## PERSONAL AND ADVERTISING INJURY COVERAGE AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

APARTMENT OWNERS LIABILITY COVERAGE FORM  
CONDOMINIUM LIABILITY COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Liability Coverage Form apply unless modified by the endorsement.

**A.** Paragraph **q.** of Section **B. EXCLUSIONS** is deleted and replaced with the following:

**q. Personal And Advertising Injury**

"Personal and advertising injury":

- (1) Caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury";
- (2) Arising out of oral or written publication, in any manner, of material, if done by or at the direction of the insured with knowledge of its falsity;
- (3) Arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the policy period, whether or not any publication made prior to the inception of the policy:
  - (a) Violated or infringed upon another's rights; or
  - (b) Was or is actionable;
- (4) Arising out of a criminal act committed by or at the direction of the insured;
- (5) 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;
- (6) Arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement";
- (7) Arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement";
- (8) Arising out of the wrong description of the price of goods, products or services stated in your "advertisement";
- (9) Committed by an insured whose business is:
  - (a) Advertising, broadcasting, publishing or telecasting;
  - (b) Designing or determining content of web sites for others; or
  - (c) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs **13. a., b. and c.** of "personal and advertising injury" under Section **F. LIABILITY AND MEDICAL EXPENSES DEFINITIONS**.

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

- (10) Arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time;
- (11) With respect to 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";

- (12) "Bodily injury" arising out of "personal and advertising injury";
- (13) Arising out of an electronic chatroom or bulletin board, blog or any other virtual forum the insured hosts, owns or over which the insured exercises control;
- (14) Arising out of the infringement of copyright, patent, trademark, trade dress, slogan, service mark, trade secret or other intellectual property rights. However this exclusion does not apply if the sole and exclusive basis for the claim is infringement, in your "advertisement", of:
  - (a) Copyright;
  - (b) Trade dress; or
  - (c) Slogan, unless the slogan is also a trademark, trade name, service mark or other designation of origin or authenticity;
- (15) Arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatags, or any other similar tactics to mislead another's potential customers.

Exclusions **c., d., e., f., g., h., i., k., l., m., n.** and **o.** do not apply to damage by fire or explosion 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 **F. LIABILITY AND MEDICAL EXPENSES DEFINITIONS**.

**B. Section F. LIABILITY AND MEDICAL EXPENSES DEFINITIONS** is amended as follows:

The definition of "advertisement" and "personal and advertising injury" are deleted and replaced with:

- 1. "Advertisement" means widespread dissemination of information or images to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. "Advertisement" includes:
  - a. Material placed on the Internet or on similar electronic means of communication about your goods, products or services for the purpose of attracting customers or supporters; 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.

However, "advertisement" does not include any:

- a. Design, printed material, information or images contained in, on or upon the packaging or labeling of any goods or products; or
  - b. Display of goods, products or services at your physical place of business or at any other physical location such as in showrooms or at trade shows.
- 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".

Damages because of "personal and advertising injury" do not include disgorgement, restitution or any other similar monetary amount based, in whole or in part, on an insured's unlawful gain or profit, alleged or otherwise.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.





**DAMAGE TO PROPERTY EXCLUSION  
REVISED**

This endorsement modifies insurance provided under the:

APARTMENT OWNERS LIABILITY COVERAGE FORM  
CONDOMINIUM LIABILITY COVERAGE FORM

**A.** Paragraph **B.1.I.** of **Exclusions** in the applicable coverage form is replaced by the following:

**1. Applicable To Business Liability Coverage**

This insurance does not apply to:

**Damage To Property**

"Property damage" to:

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

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

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".

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

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

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

This endorsement modifies insurance provided under the following:

APARTMENT OWNERS POLICY  
CONDOMINIUM POLICY

### **SCHEDULE**

<b>Coverage</b>	<b>Additional Premium</b>
-----------------	-------------------------------

**Hired Auto Liability**

**Non-Owned Auto Liability**

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

**1. Hired Auto Liability**

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

**2. Non-Owned Auto Liability**

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

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

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

**a.** "Bodily injury" to:

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

**(a)** Employment by the insured; or

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

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

This exclusion applies:

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

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

This exclusion does not apply to:

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

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

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

- (1) Property owned or being transported by, or rented or loaned to the insured; or
- (2) Property in the care, custody or control of the insured,

**2. Paragraph C. Who Is An Insured in the applicable Liability, Coverage Form is replaced by the following:**

Each of the following is an insured under this endorsement to the extent set forth below:

- a.** You;
- b.** Any other person using a "hired auto" with your permission;
- c.** For a "non-owned auto", any partner or "executive officer" of yours, but only while such "non-owned auto" is being used in your business; and
- d.** Any other person or organization, but only for their liability because of acts or omissions of an insured under **a.**, **b.** or **c.** above.

None of the following is an insured:

- (1) Any person engaged in the business of his or her employer for "bodily injury" to any co-"employee" of such person injured in the course of employment, or to the spouse, child, parent, brother or sister of that co-"employee" as a consequence of such "bodily injury", or for any obligation to share damages with or repay someone else who must pay damages because of the injury;
- (2) Any partner or "executive officer" for any "auto" owned by such partner or officer or a member of his or her household;
- (3) Any person while employed in or otherwise engaged in duties in connection with an "auto business", other than an "auto business" you operate;
- (4) The owner or lessee (of whom you are a sublessee) of a "hired auto" or the owner of a "non-owned auto" or any agent or "employee" of any such owner or lessee;
- (5) Any person or organization for the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations.

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

- 1. "Auto Business"** means the business or occupation of selling, repairing, servicing, storing or parking "autos".
- 2. "Hired Auto"** means any "auto" you lease, hire or borrow. This does not include any "auto" you lease, hire or borrow from any of your "employees" or members of their households, or from any partner or "executive officer" of yours.
- 3. "Non-Owned Auto"** means any "auto" you do not own, lease, hire or borrow which is used in connection with your business. However, if you are a partnership, a "non-owned auto" does not include any "auto" owned by any partner.



### EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA

This endorsement modifies insurance provided under the:

APARTMENT OWNERS PROPERTY COVERAGE FORM  
BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM  
CONDOMINIUM PROPERTY COVERAGE FORM

- A.** The exclusion set forth in Paragraph **B.** applies to all coverage under Section **A. Coverage** in all forms and endorsements that comprise this policy, except as provided in Paragraph **C.** This includes but is not limited to forms or endorsements that cover property damage to buildings or personal property and forms or endorsements that cover business income, extra expense or action of civil authority.
- B.** We will not pay for loss or damage caused by or resulting from any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.
- C.** However, the exclusion in Paragraph **B.** does not apply to the following:
  - 1.** Loss or damage caused by or resulting from "fungi", wet rot or dry rot. Such loss or damage may be addressed in a separate exclusion in this policy;
  - 2.** Coverage otherwise provided under Food Borne Illness Business Interruption Coverage **E3032** (if that endorsement is attached to this policy);
  - 3.** Coverage otherwise provided under the Restaurant Food Contamination Shutdown Coverage **E3419** (if that endorsement is attached to this policy); or
  - 4.** Coverage otherwise provided under the Limited Biohazardous Substance Coverage **J7133** (if that endorsement is attached to this policy).
- D.** With respect to any loss or damage subject to the exclusion in Paragraph **B.**, such exclusion supersedes any exclusion relating to "pollutants".
- E.** If the following provisions are part of this policy, they are hereby amended to remove reference to bacteria:
  - 1.** Exclusion of "Fungi", Wet Rot, Dry Rot And Bacteria; and
  - 2.** Additional Coverage - Limited Coverage For "Fungi", Wet Rot, Dry Rot And Bacteria, including any endorsement increasing the scope or amount of coverage.
- F.** The terms of the exclusion in Paragraph **B.**, or the inapplicability of this exclusion to a particular loss, do not serve to create coverage for any loss that would otherwise be excluded under this policy.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

POLICY NUMBER:



**J7183**  
1st Edition

## **LIMITATION OF COVERAGE TO DESIGNATED PREMISES, PROJECT OR OPERATION**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM  
BUSINESSOWNERS LIABILITY COVERAGE FORM  
APARTMENT OWNERS LIABILITY COVERAGE FORM  
CONDOMINIUM LIABILITY COVERAGE FORM

### **SCHEDULE**

<b>A. Premises:</b> Premises listed in the Policy Declarations
<b>B. Project Or Operation:</b> Operations described in the Policy Declarations
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**A.** Paragraph **A.1.b.(1)** of the Businessowners Liability Coverage Form, Apartment Owners Liability Coverage Form and Condominium Liability Coverage Form and in **Section II Liability** of the Businessowners Coverage Form, is replaced by the following:

**(1)** To "bodily injury" and "property damage" caused by an "occurrence" that takes place in the "coverage territory" only if:

**(a)** The "bodily injury" or "property damage":

**(i)** Occurs on the premises shown in the Schedule or the grounds and structures appurtenant to those premises; or

**(ii)** Arises out of the project or operation shown in the Schedule and related to your insured business located at the premises shown in the Schedule;

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

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

**B.** Paragraph **A.1.b.(2)** of the Businessowners Liability Coverage Form, Apartment Owners Liability Coverage Form and Condominium Liability Coverage Form and in **Section II Liability** of the Businessowners Coverage Form, is replaced by the following:

**(2)** To "personal and advertising injury" caused by an offense committed in the "coverage territory" but only if:

**(a)** The offense arises out of your business:

**(i)** Performed on the premises shown in the Schedule; or

**(ii)** In connection with the project or operation shown in the Schedule and related to your insured business located at the premises shown in the Schedule; and

**(b)** The offense was committed during the policy period.

However, with respect to Paragraph **A.1.b.(2)(a)(i)**, if the "personal and advertising injury" is caused by:

**(a)** False arrest, detention or imprisonment; or

(b) 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;

then such offense must arise out of your business performed on the premises shown in the Schedule and the offense must have been committed on the premises shown in the Schedule or the grounds and structures appurtenant to those premises.

C. Paragraph **A.2.a. Medical Expenses** of the Businessowners Liability Coverage Form, Apartment Owners Liability Coverage Form and Condominium Liability Coverage Form and in **Section II Liability** of the Businessowners Coverage Form, is replaced by the following:

a. We will pay medical expenses as described below for "bodily injury" caused by an accident that takes place in the "coverage territory" if the "bodily injury":

(1) Occurs on the premises shown in the Schedule or the grounds and structures appurtenant to those premises; or

(2) Arises out of the project or operation shown in the Schedule and related to your insured business located at the premises shown in the Schedule;

provided that:

(a) The accident takes place 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.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.



## LIMITED COVERAGE FOR FUNGI, WET ROT, DRY ROT AND BACTERIA

This endorsement modifies insurance provided under the following:

APARTMENT OWNERS PROPERTY COVERAGE FORM  
CONDOMINIUM PROPERTY COVERAGE FORM

A. The following is added under **B.1. EXCLUSIONS** in the applicable PROPERTY COVERAGE FORM:

**h. "Fungi", Wet Rot, Dry Rot And Bacteria**

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

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

This exclusion does not apply:

- (1) When "fungi", wet or dry rot or bacteria results from fire or lightning; or
- (2) To the extent that coverage is provided in the Additional Coverage - Limited Coverage For "Fungi", Wet Rot, Dry Rot And Bacteria with respect to loss or damage by a cause of loss other than fire or lightning.

B. Item **B.1.f. Water, Mudslide or Mudflow** under **B.1. EXCLUSIONS** in the applicable PROPERTY COVERAGE FORM is amended as follows:

a. The following item is added to paragraph **B.1.f.(2)**:

- (f) "Fungi", wet or dry rot or bacteria that results from fire or lightning.

b. The following is added as paragraph **B.1.f.(3)**:

This exclusion does not apply to the extent that coverage is provided in the Additional Coverage - Limited Coverage For "Fungi", Wet Rot, Dry Rot And Bacteria, if any, with respect to loss or damage by a cause of loss other than fire or lightning.

C. Paragraph **B.2.j.(2)** under **B.2. EXCLUSIONS** in the applicable PROPERTY COVERAGE FORM is replaced by the following:

- (2) Rust or other corrosion, decay, deterioration, hidden or latent defect or any quality in property that causes it to damage or destroy itself.

D. The following is added under **B.2.j.** in the applicable PROPERTY COVERAGE FORM:

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

E. Paragraph **A.5.k.(6)** of the Additional **Ordinance Or Law Coverage** in the APARTMENT OWNERS PROPERTY COVERAGE FORM and paragraph **A.5.i.(6)** of the Additional **Ordinance Or Law Coverage** in the CONDOMINIUM PROPERTY COVERAGE FORM is replaced by the following:

(6) Under this Additional Coverage, we will not pay for:

- (a) The enforcement of any ordinance or law which requires demolition, repair, replacement, reconstruction, remodeling or remediation of property due to contamination by "pollutants" or due to the presence, growth, proliferation, spread or any activity of "fungi", wet or dry rot or bacteria; or

- (b) Any costs associated with the enforcement of any ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants", "fungi", wet or dry rot or bacteria.

F. The following is added as item **n.** in the CONDOMINIUM PROPERTY COVERAGE FORM and item **p.** in the APARTMENT OWNERS PROPERTY COVERAGE FORM under Section A.5. **Additional Coverages:**

**Limited Coverage For "Fungi", Wet Rot, Dry Rot And Bacteria**

If "fungi", wet or dry rot or bacteria results from a "specified cause of loss" (other than fire or lightning) that occurs during the policy period, and if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence:

- (1) We will pay for loss or damage by "fungi", 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 "fungi", wet or dry rot or bacteria, including the cost of removal of the "fungi", 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 "fungi", wet or dry rot or bacteria; and
  - (c) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided it is reasonable to believe that "fungi", wet or dry rot or bacteria are present.
- (2) The most we will pay under this Limited Coverage for the sum of all loss or damage arising out of all occurrences of "specified causes of loss" (other than fire or lightning) which take place in each 12 month period (beginning with the effective date of this policy), is \$15,000. The \$15,000 aggregate limit is subject to and not in addition to the applicable Limit of Insurance on the affected property and is applied regardless of the number of premises involved in such occurrence(s).
- (3) We will not pay more than the total of \$15,000 under this Limited Coverage even if the "fungi", wet or dry rot or bacteria continues to be present or active, or recurs, in a later policy period.
- (4) Payments under this Limited Coverage are subject to and not in addition to the applicable Limit of Insurance on any Covered Property.
- (5) If there is covered loss or damage to Covered Property, not caused by "fungi", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungi", 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.
- (6) The terms of this Limited Coverage do not increase or reduce the coverage provided under the Additional Coverages 5.d. **Collapse** or 5.e. **Water Damage, Other Liquids, Powder or Molten Material Damage**.
- (7) This Limited Coverage applies if a Limit of Insurance is shown in the Declarations for Building or Personal Property.
- (8) The following applies only if Business Income and Extra Expense Coverage applies to the described premises and only if the suspension of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense coverage.
  - (a) If the loss which resulted in "fungi", wet or dry rot or bacteria does not in itself necessitate a suspension of "operations", but such suspension is necessary due to loss or damage to property caused by "fungi", wet or dry rot or bacteria, we will pay for the actual loss of business income and extra expense you sustain. However, we will only pay for loss of business income and extra expense sustained in a period of not more than 30 days. The days need not be consecutive.



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

(9) The following applies to Association Fees and Extra Expense coverage:

- (a) If the loss which resulted in "fungi", wet or dry rot or bacteria does not in itself render a unit uninhabitable, but such unit is uninhabitable due to loss or damage to property caused by "fungi", wet or dry rot or bacteria, then our payment under the Association Fees and Extra Expense coverage is limited to the amount of lost fees and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
- (b) If loss or damage other than "fungi" wet or dry rot or bacteria renders a unit uninhabitable, but remediation of "fungi", wet or dry rot or bacteria prolongs the "period of restoration", we will pay for loss of Association Fees and/or Extra Expense you sustain during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

G. Section H. **PROPERTY DEFINITIONS** of the applicable **PROPERTY COVERAGE FORM** is revised as follows:

1. The following definition is added:

- 9. "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.

2. The first two paragraphs of Item 6. "**Specified Causes of Loss**" are replaced by the following:

6. "**Specified Causes of Loss**" means the following:

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

3. The following subparagraph is added to item 6. "**Specified Causes of Loss**":

- c. **Water damage** means sudden and accidental discharge or leakage of water or steam as a direct result of the breaking apart or cracking of any part of a system or appliance (other than a sump system including its related equipment and parts) containing water or steam.



## DEDUCTIBLE PROVISIONS

This endorsement modifies insurance provided under the following:

APARTMENT OWNERS PROPERTY COVERAGE FORM  
BUSINESSOWNERS COVERAGE FORM  
BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM  
CONDOMINIUM PROPERTY COVERAGE FORM

The Deductible provisions in the applicable coverage form are amended as follows.

Section **D. Deductibles** in the applicable Property Coverage Form, and Paragraph **D. Deductibles** in **SECTION I - PROPERTY** of the Businessowners Coverage Form is deleted and replaced by the following:

### **D. DEDUCTIBLES**

1. We will not pay for loss or damage in any one occurrence until the amount of loss or damage exceeds the Deductible shown in the Declarations. We will then pay the amount of loss or damage in excess of the Deductible up to the applicable Limit of Insurance.
2. If more than one Deductible applies in any one occurrence we will apply each Deductible separately per location. But the total of all Deductible amounts applied in that occurrence will not exceed the highest applicable Deductible per location.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.



## Limitations of Coverage - Amendment of Policy Limits and Change In Definitions

This endorsement modifies insurance provided under the following:

Businessowners Liability Coverage Form

With respect to coverage provided by this endorsement, the provisions of the Businessowners Liability Coverage Form apply unless modified by the endorsement.

**A. Section D. Liability and Medical Expenses Limits Of Insurance** in the Coverage Form is amended by adding the following:

**5. Limits of Insurance - Two Or More Coverages Or Policies**

- a. If two or more of this policy's coverages provide coverage for "bodily injury", "property damage", "personal injury" or "advertising injury" the most we will pay in any one "occurrence" is the actual amount of injury, damages, loss or liability up to the highest applicable per occurrence limit of insurance, subject to any applicable aggregate limit, under any one policy coverage in effect on the date of the "occurrence".
- b. If this policy and any other policy issued by us to you applies to the same "occurrence", the most we will pay is the actual amount of the injury, damages, loss or liability up to the highest applicable per occurrence limit of insurance, subject to any applicable aggregate limit, under any one policy in effect on the date of the "occurrence". An insured shall not be entitled to any coverage for the same "occurrence" under more than one policy period or any other policy issued by us, except any Excess Liability or Umbrella Liability policy that applies to the same "occurrence".

**B. For purposes of coverage under this endorsement, Section F. Liability and Medical Expenses Definitions** is amended as follows:

1. Definition 3. "Bodily injury" is replaced with:
  3. "Bodily injury" means bodily injury, sickness or disease caused by an "occurrence" including death resulting from such "bodily injury".
2. Definition 12. "Occurrence" is replaced with:
  12. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions, which results in "bodily injury" or "property damage" that first occurs during the policy period and is neither expected nor intended by any "insured". "Bodily injury" and "property damage" first occurs during the policy period only if:

- a. The "bodily injury" or "property damage" is first sustained by a person or entity during the policy period as the direct result of an accident that first occurs during the policy period; and/or

- b. The "bodily injury" or "property damage" actually is, or reasonably should be, first apparent during the policy period to any "insured", additional insured, or any "claimant".

"Occurrence" does not include:

- a. Any accident, accidentally caused condition or continuous or repeated exposure to the same general harmful conditions that first occurs before the start of the policy period, or first occurs after the end of the policy period.

- b. "Bodily injury" or "property damage" that arises out of or is a result of any breach of a written or oral contract, or any breach of an express or implied warranty. This does not apply to liability for damages:

- (1) Assumed in a contract or agreement that is an insured contract; or

- (2) That the insured would have had in the absence of the contract or agreement.

3. Definition 15. "Property damage" is replaced with:

15. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property which first occurs during the policy period. 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 provided such loss of use is caused by an "occurrence" that first takes place during the policy period. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

4. Definition 22. "Claimant" is added as follows:

22. "Claimant" means a person or entity who makes a claim or brings a "suit" against any "insured" or additional insured.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.



## **PLANNED UNIT DEVELOPMENT (PUD) PREMIER PACKAGE ENDORSEMENT**

This endorsement modifies insurance provided under the following:

### **CONDOMINIUM PROPERTY COVERAGE FORM**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

**A. The following is added as paragraph c. under A.1. COVERED PROPERTY:**

**c. Specified Property owned by you or indivisibly by all homeowners, consisting of the following:**

- (1) Athletic courts;
- (2) Bulkheads, docks, piers and wharves;
- (3) Community roads and driveways;
- (4) Fences;
- (5) Flagpoles;
- (6) Fountains;
- (7) Lights;
- (8) Monuments;
- (9) Planters;
- (10) Playgrounds;
- (11) Poles;
- (12) Pools and spas;
- (13) Storage units;
- (14) Walkways; and
- (15) Walls, including retaining walls.

However, Specified Property does not include personal property, owned by you or indivisibly by all homeowners, located inside a building.

**B. Section A.2. PROPERTY NOT COVERED is amended as follows:**

Paragraph 2.f. is deleted and replaced by the following:

**f. Fences, walls, walks, driveways and pools, radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers, signs (other than signs attached to buildings), trees, shrubs or plants, all except provided in:**

- (1) Paragraph A.1.c. Specified Property;
- (2) Paragraph A.6.d. Outdoor Property; or
- (3) Paragraph G.2. Outdoor Signs.

C. Section A.5. **ADDITIONAL COVERAGES** is amended as follows:

1. Paragraph 5.c. **Fire Department Service Charge** is deleted and replaced by the following:

**c. Fire Department Service Charge**

When the fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay up to \$2,500, for your liability for fire department service charges:

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

2. Paragraph 5.f. **Pollutant Clean Up and Removal** is deleted and replaced by the following:

**f. Pollutant Clean Up and Removal**

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

- (1) The date of direct physical loss or damage; or
- (2) The end of the policy period.

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

3. Paragraph 5.i. **Ordinance Or Law Coverage** is deleted and replaced by the following:

**i. Ordinance Or Law Coverage**

(1) **Coverage 1** - Coverage for Loss to the Undamaged Portion of the Building or Structure

If a Covered Cause of Loss occurs to covered building or structure property, we will pay under **Coverage 1** for the loss in value of the undamaged portion of the building or structure as a consequence of the enforcement of any ordinance or law that:

- (a) Requires the demolition or parts of the same property not damaged by a Covered Cause of Loss;
- (b) Regulates the construction or repair of buildings or structures, or establishes zoning or land use requirements at the described premises; and
- (c) Is in force at the time of loss.

However:

We will not pay for the Increased Cost of Construction:

- (a) Until the property is actually repaired or replaced, at the same or another premises; and
- (b) Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed two years.

We may extend this period in writing during the two years after the loss or damage.

If the building or structure is repaired or replaced at the same premises, or if you elect to rebuild at another premises, the most we will pay for the Increased Cost of Construction is the increased cost of construction at the same premises.

If the ordinance or law requires relocation to another premises, the most we will pay for Increased Cost of Construction is the increased cost of construction at the new premises.

**Coverage 1** is included within the Limit of Insurance shown in the Declarations as applicable to the covered Building or structure property. **Coverage 1** does not increase the Limit of Insurance.

**(2) Coverage 2 - Demolition Cost Coverage**

If a Covered Cause of Loss occurs to covered building or structure property, we will pay the cost to demolish and remove debris of undamaged parts of the property caused by enforcement of building, zoning or land use ordinance or law.

**(3) Coverage 3 - Increased Cost of Construction Coverage**

If a Covered Cause of Loss occurs to the covered building or structure property, we will pay for the increased cost to:

- (a) Repair or reconstruct damaged portions of that building or structure property; and/or
- (b) Reconstruct or remodel undamaged portions of that building or structure property, whether or not demolition is required;

when the increased cost is a consequence of the enforcement of a building, zoning or land use ordinance or law.

However:

- (a) This coverage applies only if the restored or remodeled property is intended for similar occupancy as the current property, unless such occupancy is not permitted by a zoning or land use ordinance or law.
- (b) We will not pay for the increased cost of construction if the building or structure is not repaired, reconstructed or remodeled.

(4) This Additional Coverage applies only to building or structure property insured on a replacement cost basis.

(5) Paragraph E.6.d. of the Property Loss Conditions does not apply to the Demolition Cost Coverage or the Increased Cost of Construction Coverage.

(6) Under this Additional Coverage, we will not pay any costs due to an ordinance or law that:

- (a) You were required to comply with before the loss, even when the building or structure was undamaged; and
- (b) You failed to comply with.

(7) Under this Additional Coverage, we will not pay any costs associated with the enforcement of an ordinance or law which requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants".

- (8) The most we will pay under this Additional Coverage, for all covered loss arising out of the same occurrence is \$50,000 for Coverage 2 and \$25,000 for Coverage 3 unless a higher limit is shown on the Declarations for Ordinance or Law Coverage. These Additional Coverage limits apply in addition to the Building Limit of Insurance.
- (9) This Additional Coverage is not subject to the terms of the Ordinance or Law Exclusion, to the extent that such Exclusion would conflict with the provisions of this Additional Coverage.
- (10) The costs addressed in the Loss Payment Property Loss Condition in this Coverage Form do not include the increased cost attributable to the enforcement of an ordinance or law. The amount payable under this Additional Coverage, as stated in I.(7) of this Additional Coverage, is not subject to such limitation.

4. Paragraph 5.m. **Fire Extinguisher Recharge** is deleted and replaced by the following:

**m. Fire Extinguisher Recharge**

We will pay up to \$5,000 per occurrence for the necessary costs to recharge or replace (whichever is less) fire extinguishers or fire suppression systems owned by the insured that are accidentally discharged or discharged as a result of extinguishing a covered fire which occurs at a location shown in the Declarations.

D. Section A.6. **COVERAGE EXTENSIONS** is amended as follows:

Paragraph 6.d. **Outdoor Property** is deleted and replaced by the following:

**d. Outdoor Property**

You may extend the insurance provided by this policy to apply to your radio and television antennas (including satellite dishes), signs (other than signs attached to buildings), trees, shrubs and plants, including debris removal expense, caused by or resulting from any of the following causes of loss:

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

The most we will pay for loss or damage under this Extension is \$50,000 or the Limit of Insurance shown on the Declarations for Outdoor Property, but not more than \$25,000 for any one tree, shrub or plant.

This Coverage Extension for Outdoor Property applies as described above, regardless of any other condition described elsewhere in this policy that:

- (1) Excludes coverage for damage caused by or resulting from Wind or Hail; or
- (2) Provides a specific deductible for loss or damage caused by or resulting from Wind or Hail.

E. Section **G. OPTIONAL COVERAGES** is amended as follows:

1. Paragraph 1. **Specified Property** is deleted.

2. Paragraph 2.d. **Outdoor Signs** is deleted and replaced by the following:

d. The most we will pay for loss or damage to Outdoor Signs in any one occurrence is \$50,000, unless a higher limit is shown in the Declarations, but not more than \$25,000 per sign.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.





**BACK UP OF SEWERS AND OVERFLOW OF DRAINS  
COVERAGE ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**CONDOMINIUM PROPERTY COVERAGE FORM**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

The following item is added to **A.5. Additional Coverages** of the Condominium Property Coverage Form:

**n. Back Up of Sewers or Drains**

- (1) We will pay up to the Limit of Insurance Per Occurrence shown on the Declarations for Back Up of Sewers and Overflow of Drains for loss or damage to Covered Property caused by water that:
  - (a) Backs up from a sewer or drain away from your premises; or
  - (b) Overflows from an appliance, drain or plumbing fixture on the premises but only if the overflow is sudden and accidental, where you have exercised proper care and maintenance, and it is not the result of a continuous or repeated seepage or leakage that occurred over time; or
  - (c) Enters into and overflows from a sump pump or sump pump well or any other system designed to remove subsurface water from a foundation area.

One or more incidents occurring within a 72 hour period is considered one occurrence.

- (2) Subject to the applicable Limit of Insurance shown on the Declarations for Back Up of Sewers and Overflow of Drains and other provisions of this endorsement, paragraph 1.f. (1)(a) in **B. EXCLUSIONS** is deleted.
- (3) The deductible applicable to and shown on the Declarations for Building and/or Business Personal Property applies to each loss under this endorsement. However, if a separate Water Damage Deductible is shown on the Declarations, the Water Damage Deductible applies to each loss under this endorsement.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.



## EQUIPMENT BREAKDOWN COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM  
BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM  
APARTMENT OWNERS PROPERTY COVERAGE FORM  
CONDOMINIUM PROPERTY COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the applicable Coverage Form apply unless modified by this endorsement.

When this endorsement is made part of a BUSINESSOWNERS POLICY, the optional coverage for Mechanical Breakdown in the Businessowners Special Property Coverage Form and the Businessowners Coverage Form is deleted in its entirety.

The following is added to **5. Additional Coverages** under Section **A. Coverage** in the applicable Property Coverage Form:

### Equipment Breakdown Coverage

We will pay for direct damage to Covered Property caused by or resulting from Breakdown to Covered Equipment owned by you, or in your care, custody or control, and for which you are legally liable and located at the described premises. The provisions of:

1. Paragraphs **f. Business Income** and **g. Extra Expense** under Section **A.5. Additional Coverages** in the Businessowners Special Property Coverage Form and **Section I - Property** of the Businessowners Coverage Form;
2. Paragraphs **e. Business Income** and **f. Extra Expense** under Section **A.5. Additional Coverages** in the Apartment Owners Property Coverage Form; and
3. Paragraph **e. Association Fees and Extra Expense** in the Condominium Owners Property Coverage Form

apply as a consequence of covered direct damage to Covered Property if Business Income and Extra Expense or Association Fees and Extra Expense are covered in this policy.

### 1. Covered Equipment

**a.** Covered Equipment means and includes any of the following:

- (1) Equipment built to operate under internal pressure or vacuum other than weight of contents; and
- (2) Electrical or mechanical equipment that is used in the generation, transmission or utilization of energy.

**b.** Covered Equipment does not mean or include any of the following:

- (1) Part of pressure or vacuum equipment that is not under internal pressure of its contents or internal vacuum;
- (2) Insulating or refractory material, but not excluding the glass lining of any Covered Equipment;
- (3) Non-metallic pressure or vacuum equipment unless it is constructed and used in accordance with the American Society of Mechanical Engineers (ASME) code or another appropriate and approved code;
- (4) Catalyst;
- (5) Vessels, piping and other equipment that is buried below ground and requires the excavation of materials to inspect, remove, repair or replace;

- (6) Structure, foundation, cabinet or compartment supporting or containing the Covered Equipment or part of the Covered Equipment including penstock, draft tube, well casing, or water piping other than boiler feed water piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
- (7) Vehicle, aircraft, self-propelled equipment or floating vessel including any Covered Equipment that is mounted upon or used solely with any one or more vehicle(s), aircraft, self-propelled equipment or floating vessel;
- (8) Dragline, excavation or construction equipment including any Covered Equipment that is mounted upon or used solely with any one or more dragline(s), excavation, or construction equipment;
- (9) Felt, wire, screen, die, extrusion plate, swing hammer, grinding disc, cutting blade, non-electrical cable, chain, belt, rope, clutch plate, brake pad, non-metal part or any part or tool subject to periodic replacement;
- (10) Computer Equipment, meaning:
  - (a) Programmable electronic equipment that is used to store, retrieve and process data (unless used to control covered equipment); and
  - (b) Associated peripheral equipment that communicates with the equipment described in (a) above, including input and output functions such as printing and auxiliary functions such as data transmission.
- (11) Media, meaning electronic data processing or storage media such as films, tapes, discs, drums or cells;
- (12) Electronic Data, meaning:
  - (a) Programmed and recorded material stored on media, as described in b.(11) above; and
  - (b) Programming records used for electronic data processing, or electronically controlled equipment; or
- (13) Equipment or any part of such equipment manufactured by you for sale or lease.

## **2. Breakdown**

- a. Breakdown means direct physical loss that causes damage to Covered Equipment and necessitates its repair or replacement as follows:
  - (1) Failure of pressure or vacuum equipment;
  - (2) Mechanical failure including rupture or bursting caused by centrifugal force; or
  - (3) Artificially generated electrical failure including arcing that disturbs electrical devices, equipment, appliances or wires.
- b. Breakdown does not mean or include:
  - (1) Malfunction including but not limited to adjustment, alignment, calibration, cleaning or modification;
  - (2) Leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
  - (3) Damage to any vacuum tube, gas tube or brush;
  - (4) Damage to any structure or foundation supporting the Covered Equipment or any of its parts; or
  - (5) The cracking of any part of an internal combustion gas turbine exposed to the products of combustion.

If an initial Breakdown causes other Breakdowns, all will be considered One Breakdown. All Breakdowns at any one described premises that manifest themselves at the same time and are the direct result of the same cause will be considered One Breakdown.

**3.** This Additional Coverage will not increase the Limits of Insurance provided in this policy.

#### **4. Extensions**

The following Extensions also apply to loss caused by or resulting from Breakdown to Covered Equipment owned by you, or in your care, custody or control, and for which you are legally liable and located at the described premises.

The most we will pay for any of the following Extensions is \$25,000 unless another Limit of Insurance is shown in the Declarations for such Extensions. Unless Business Income and Extra Expense or Association Fees and Extra Expense are excluded from the policy, this includes loss of business income and/or necessary extra expense or association fees and extra expense you may incur as a consequence of the following Extensions. The Limits of Insurance applicable to these Extensions will not increase the Limits Of Insurance provided in this policy.

##### **a. Expediting Expenses**

With respect to your damaged Covered Property, we will pay the reasonable extra cost to:

- (1)** Make temporary repairs; and
- (2)** Expedite permanent repairs or replacement of the damaged property.

##### **b. Ammonia Contamination**

The spoilage to Covered Property contaminated by ammonia, including any salvage expense.

##### **c. Hazardous Substance**

We will pay for any additional expenses incurred by you for the clean up, repair or replacement or disposal of Covered Property that is damaged, contaminated, or polluted by a Hazardous Substance.

As used here, additional expenses means the additional cost incurred over and above the amount that we would have paid had no Hazardous Substance been involved with the loss.

Hazardous Substance means any substance other than ammonia that has been declared hazardous to health by a governmental agency. Ammonia is not considered to be a Hazardous Substance as respects this Additional Coverage.

##### **d. Water Damage**

The damage to Covered Property by water, including any salvage expenses, except no coverage applies to such damage resulting from leakage of a sprinkler system or domestic water piping.

##### **e. Drying Out Coverage**

If electrical Covered Equipment requires drying out as a result of a flood, we will pay for the direct expenses of such drying out.

##### **f. Valuation**

**(1)** If you elect or we require that the repair or replacement of the damaged Covered Equipment be done in a manner that:

- (a)** Improves the environment;
- (b)** Increases efficiency; or
- (c)** Enhances safety;

while maintaining the existing function, then we will pay, subject to the limit of insurance, up to an additional 25% of the property damage amount for the Covered Equipment otherwise recoverable.

(2) If:

- (a) Any damaged Covered Equipment is protected by an extended warranty, or maintenance or service contract; and
- (b) That warranty or contract becomes void or unusable due to a Breakdown;

we will reimburse you for the unused costs of non-refundable, non-transferable warranties or contracts.

## 5. Conditions

The following conditions apply to this Additional Coverage:

### a. Suspension

Whenever Covered Equipment is found to be in, or exposed to, a dangerous condition, any of our representatives may immediately suspend the insurance against loss from a Breakdown to that Covered Equipment by delivering or mailing written notice of suspension to:

- (1) Your last known address; or
- (2) 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. But the suspension will be effective even if we have not yet made or offered a refund.

### b. Salvage

Any salvage value of property obtained for temporary repairs or use following a Breakdown which remains after repairs are completed will be taken into consideration in the adjustment of any loss.

## 6. Exclusions

- a. The following limitations and exclusions in **A.4 Limitations** and **B. Exclusions** in the Businessowners Special Property Coverage Form do not apply to the extent that coverage is provided in this Additional Coverage:

- (1) Limitation **A.4.a.(1)** Steam Equipment;
- (2) Limitation **A.4.a.(2)** Water Heating Equipment;
- (3) Exclusion **B.2.a.** Electrical Apparatus;
- (4) Exclusion **B.2.d.** Steam Apparatus; and
- (5) Exclusion **B.2.k.(6)** Mechanical Breakdown.

With respect to this Additional Coverage, the last paragraph of Exclusion **B.2.k. Other Types of Loss** is deleted and replaced with the following:

But if an excluded cause of loss that is listed in **B.2.k.(1)** through **B.2.k.(7)** results in a Breakdown, we will pay for the loss or damage caused by that Breakdown.

- b. The following limitations and exclusions in **A.4. Limitations** and **B. Exclusions** under **Section I - Property** in the Businessowners Coverage Form do not apply to the extent that coverage is provided in this Additional Coverage:

- (1) Limitation **A.4.a.(1)** Steam Equipment;
- (2) Limitation **A.4.a.(2)** Water Heating Equipment;
- (3) Exclusion **B.2.a.** Electrical Apparatus;
- (4) Exclusion **B.2.d.** Steam Apparatus; and
- (5) Exclusion **B.2.l.(6)** Mechanical Breakdown.

With respect to this Additional Coverage, the last paragraph of Exclusion **B.2.i. Other Types of Loss** is deleted and replaced with the following:

But if an excluded cause of loss that is listed in **B.2.i.(1)** through **B.2.i.(7)** results in a Breakdown, we will pay for the loss or damage caused by that Breakdown.

- c. The following limitations and exclusions in **A.4. Limitations** and **B. Exclusions** in the Apartment Owners Property Coverage Form or the Condominium Property Coverage Form do not apply to the extent that coverage is provided in this Additional Coverage:

- (1) Limitation **A.4.a.(1)** Steam Equipment;
- (2) Limitation **A.4.a.(2)** Water Heating Equipment;
- (3) Exclusion **B.2.a.** Electrical Apparatus;
- (4) Exclusion **B.2.d.** Steam Apparatus; and
- (5) Exclusion **B.2.j.(6)** Mechanical Breakdown.

With respect to this Additional Coverage, the last paragraph of Exclusion **B.2.j. Other Types of Loss** is deleted and replaced with the following:

But if an excluded cause of loss that is listed in **B.2.j.(1)** through **B.2.j.(7)** results in a Breakdown, we will pay for the loss or damage caused by that Breakdown.

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

- (1) Damage to Covered Equipment undergoing a pressure or electrical test.
- (2) Depletion, deterioration, corrosion, erosion, rust or wear and tear. However, if a Breakdown occurs we will pay the resulting loss or damage.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

# CONDOMINIUM COMMON POLICY CONDITIONS

All coverages of this policy are subject to the following conditions.

## **A. Cancellation**

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
  - a. 5 days before the effective date of cancellation if any one of the following conditions exists at any building that is Covered Property in this policy.
    - (1) The building has been vacant or unoccupied 60 or more consecutive days. This does not apply to:
      - (a) Seasonal unoccupancy; or
      - (b) Buildings in the course of construction, renovation or addition.  
Buildings with 65% or more of the rental units or floor area vacant or unoccupied are considered unoccupied under this provision.
    - (2) After damage by a covered cause of loss, permanent repairs to the building:
      - (a) Have not started, and
      - (b) Have not been contracted for, within 30 days of initial payment of loss.
    - (3) The building has:
      - (a) An outstanding order to vacate;
      - (b) An outstanding demolition order; or
      - (c) Been declared unsafe by governmental authority.
    - (4) Fixed and salvageable items have been or are being removed from the building and are not being replaced. This does not apply to such removal that is necessary or incidental to any renovation or remodeling.
    - (5) Failure to:
      - (a) Furnish necessary heat, water, sewer service or electricity for 30 consecutive days or more, except during a period of seasonal unoccupancy; or
      - (b) Pay property taxes that are owing and have been outstanding for more than one year following the date due, except that this provision will not apply where you are in a bona fide dispute with the taxing authority regarding payment of such taxes.
  - b. 10 days before the effective date of cancellation if we cancel for nonpayment of premium.
  - c. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.
7. No Act or omission by any unit-owner will void the policy or be a condition to recovery under this policy. But this does not apply to unit-owners acting within the scope of their authority on behalf of the Association.

## **B. Changes**

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

## **C. Concealment, Misrepresentation Or Fraud**

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

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

## **D. Examination Of Your Books And Records**

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

## **E. Inspections And Surveys**

We have the right but are not obligated to:

1. Make inspections and surveys at any time;
2. Give you reports on the conditions we find; and
3. 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 perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

1. Are safe or healthful; or
2. Comply with laws, regulations, codes or standards.

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

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

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

## **G. Liberalization**

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



## **H. Other Insurance**

1. If there is other insurance covering the same loss or damage, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.
2. Business Liability Coverage is excess over any other insurance that insures for direct physical loss or damage.
3. When this insurance is excess, we will have no duty under Business Liability Coverage to defend any claim or "suit" that any other insurer has a duty to defend. If no other insurer defends, we will undertake to do so; but we will be entitled to the insured's rights against all those other insurers.

## **I. Premiums**

1. The first Named Insured shown in the Declarations:
  - a. Is responsible for the payment of all premiums; and
  - b. Will be the payee for any return premiums we pay.
2. The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.
3. With our consent, you may continue this policy in force by paying a continuation premium for each successive one-year period. The premium must be:
  - a. Paid to us prior to the anniversary date; and
  - b. Determined in accordance with Paragraph 2. above.

Our forms then in effect will apply. If you do not pay the continuation premium, this policy will expire on the first anniversary date that we have not received the premium.
4. Undeclared exposures or change in your business operation, acquisition or use of locations may occur during the policy period that are not shown in the Declarations. If so, we may require an additional premium. That premium will be determined in accordance with our rates and rules then in effect.

## **J. Premium Audit**

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

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

1. Applicable to Condominium Property Coverage:

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

  - a. Prior to a loss to your Covered Property.
  - b. After a loss to your Covered Property only if, at time of loss, that party is one of the following:
    - (1) Someone insured by this insurance;
    - (2) A business firm:

- (a) Owned or controlled by you; or
- (b) That owns or controls you; or
- (3) Your tenant.

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

This will not restrict your insurance.

**2. Applicable to Condominium Liability Coverage:**

If the insured has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them. This condition does not apply to Medical Expenses Coverage.

We waive our rights to recover payment against:

- a. Any unit owner, including the developer, and members of his or her household;
- b. The Association; and
- c. Members of the Board of Directors for acts or omissions within the scope of their duties for you.

But, we reserve our rights to recover damages from the developer for which he or she may be held liable in his or her capacity as a developer.

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

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

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

This endorsement modifies insurance provided under the following:

APARTMENT OWNERS POLICY  
CONDOMINIUM POLICY

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

**A.** We will not pay for loss or damage to any property, loss of use of any property, any Association Fees, Extra Expense or loss of Business Income caused directly or indirectly by:

**1.** The failure or malfunction of:

**a.** Any of the following, whether belonging to you or to others:

- (1) computer hardware;
- (2) computer software;
- (3) computer operating systems;
- (4) computer networks;
- (5) microprocessors (computer chips);
- (6) any other computerized or electronic equipment or components;
- (7) any electronic data processing equipment, computer programs and software; or

**b.** Any other products or services that directly or indirectly use or rely upon, in any manner, any of the items listed in paragraph **1.a.** of this endorsement.

due to the inability of those products or services described in paragraphs **1.a.** and **1.b.** to correctly recognize, distinguish, interpret, accept or process any encoded, abbreviated or encrypted date(s) or times(s).

**2.** Any advice, consultation, design, evaluation, inspection,

installation, maintenance, repair or supervision done by you or for you to determine, rectify or test any potential or actual failure or malfunction described in paragraph **A.1.** above. However, if an excluded loss or damage results in a "Specified Cause of Loss" (such as fire), we will pay only for the loss or damage caused by such "Specified Cause of Loss".

**B.** We will not pay for "bodily injury", "property damage", "personal injury" or "advertising injury" for which any insured may be held liable by reason of:

**1.** The failure or malfunction of any of the items listed in paragraph **A.1.a.** of this endorsement; or

**2.** Any products or services that directly or indirectly use or rely upon, in any manner, any of the items listed in paragraph **A.1.a.** of this endorsement

due to the inability of those products or services described in paragraphs **1.** and **2.** above to correctly recognize, distinguish, interpret, accept or process any encoded, abbreviated or encrypted date(s) or times(s).

**C.** We will not pay for repair or modification of any part of an electronic data processing system, or its related equipment, to correct deficiencies or features of logic or operation.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.



## **TWO OR MORE COVERAGE FORMS**

This endorsement modifies insurance provided under the following:

APARTMENT OWNERS COMMON POLICY CONDITIONS  
CONDOMINIUM COMMON POLICY CONDITIONS

1. The following paragraph is added to the APARTMENT OWNERS and CONDOMINIUM COMMON POLICY CONDITIONS and supersedes any provision to the contrary:

### **A. Two Or More Coverage Forms Or Policies Issued By Us**

If this Coverage Form and any other Coverage Form or policy issued by us or any company affiliated with us provide coverage to anyone who qualifies as an insured under the policies and apply to the same accident, claim, damage, loss, "occurrence", offense, or "suit", the aggregate maximum Limit of Insurance under all the Coverage Forms or policies shall not exceed the highest applicable Limit of Insurance under one Coverage Form or policy. This condition does not apply to any Coverage Form or policy issued by us or an affiliated company specifically to apply as excess insurance over the Coverage Form.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.



**J7114**  
1st Edition

## REMOVAL OF ASBESTOS EXCLUSION

This endorsement modifies insurance provided under the following:

**APARTMENT OWNERS PROPERTY COVERAGE FORM**  
**CONDOMINIUM PROPERTY COVERAGE FORM**

Section **B. Exclusions** of the applicable property coverage form is amended as follows:

**A.** Paragraph **B.1.g. Asbestos** does not apply.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.



## COLORADO CHANGES

This endorsement modifies insurance provided under the:  
PREFERRED COMMUNITY ASSOCIATION MANAGEMENT COVERAGE FORM

**A. Section I - Claims Made and Reported Liability Coverages** is amended as follows:

**1. Sub-section H. Liability Conditions** is amended to add the following:

**Your Right to Liability Claims Information**

We will provide the Named Insured shown in the Declarations the following information relating to this and any preceding Preferred Community Association Management Coverage Form we have issued to you during the previous three years:

- a. A list or other record of each "claim" or "loss", or of a "wrongful act" that may result in a "claim" or a "loss", not previously reported to any other insurer, of which we were notified in accordance with Conditions **1. Duties In The Event Of Claim** and **4. Notice of Wrongful Acts** in Sub-section **H. We will** include the date and brief description of the "claim" or "loss", or of the "wrongful act" that may result in a "claim" or a "loss", 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 Annual Aggregate Limit of Liability.

Amounts reserved are based on our judgment. They are subject to change and should not be regarded as ultimate settlement values.

If we cancel or elect not to renew this Coverage Form, we will provide such information no later than 30 days before the date of policy termination. In other circumstances, we will provide this information only if we receive a written request from the first Named Insured within 60 days after the end of the policy period. In this case, we will provide the information within 30 days of receipt of the request.

We compile "claim" and "loss" information, and information about an occurrence, offense or situation that may result in a "claim" or a "loss", for our own business purposes and exercise reasonable care in doing so. In providing this information to the first Named Insured, we make no representations or warranties to insureds, insurers or others to whom this information is furnished by or on behalf of any insured. Cancellation or nonrenewal will be effective even if we inadvertently provide inaccurate information

2. The definition of "loss" in Sub-section **I. Definitions** is amended to delete Paragraph **11.b.** and replace it with the following:
  - b. Taxes, fines, penalties or liquidated damages, including civil or criminal fines or penalties imposed by law;

**B. Section III - Common Conditions** is amended as follows:

1. Paragraphs **2.** and **4.** in Condition **B. Cancellation** are deleted and replaced with the following:
2. We may cancel this Coverage Form by mailing through first-class mail to the first Named Insured, written notice of cancellation, as follows:
  - a. If this Coverage Form has been in effect for less than 60 days, we may cancel this Coverage Form for any reason, at least:
    - (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
    - (2) 30 days before the effective date of cancellation if we cancel for any other reason.
  - b. If this Coverage Form has been in effect for 60 days or more, or is a renewal, we may cancel this Coverage Form at least:

- (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - (2) 45 days before the effective date of cancellation if we cancel for any of the following reasons:
    - (a) A false statement knowingly made by the insured on the application for insurance; or
    - (b) A substantial change in the exposure or risk other than that indicated in the application and underwritten as of the effective date of the Policy unless the first Named Insured has notified us of the change and we accept such change.
  - 4. Our notice of cancellation will include the reason for cancellation and state the effective date of cancellation. The "policy period" will end on that date.
2. Condition **C. Concealment, Misrepresentation Or Fraud** is deleted and replaced with the following:
- C. Concealment, Misrepresentation Or Fraud**
- 1. We will not pay for any loss or damage in any case of:
    - a. Concealment or misrepresentation of a material fact; or
    - b. Fraud;committed by you at any time and relating to coverage under this Coverage Form.
  - 2. By accepting this coverage, you agree:
    - a. The statements and representations made during or as part of the application process for this coverage are accurate and complete;
    - b. We have issued this Coverage Form in reliance upon your statements and representations;
    - c. If any material statements or representations we relied upon in issuing this Coverage Form are untrue, this Coverage Form shall be cancelled; and
    - d. If an insured intentionally conceals or misrepresents a material fact or commits fraud relating to a "claim", then we will not pay for any "loss" or damage sustained by that insured.
3. Paragraph 1. in Condition **D. Nonrenewal** is deleted and replaced with the following:
- 1. If we decide not to renew this Coverage Form, we will mail through first-class mail to the first Named Insured shown in the Declarations written notice of the nonrenewal at least 45 days before the expiration date, or its anniversary date if it is written for a term of more than one year or with no fixed expiration date.
4. The following Condition is added:
- Increase In Premium Or Decrease In Coverage**
- We will not increase the premium unilaterally or decrease the coverage benefits on renewal of this Policy unless we mail through first-class mail written notice of our intention, including the actual reason, to the first Named Insured's last mailing address known to us, at least 45 days before the effective date.
- Any decrease in coverage during the policy term must be based on one or more of the following reasons:
- a. Nonpayment of premium;
  - b. A false statement knowingly made by the insured on the application for insurance; or
  - c. A substantial change in the exposure or risk other than that indicated in the application and underwritten as of the effective date of the Policy unless the first Named Insured has notified us of the change and we accept such change.
- If notice is mailed, proof of mailing will be sufficient proof of notice.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.



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Dear Valued Customer,

Have the growth of your business and rising labor costs reduced the accuracy of the payroll or revenue shown on your policy? Have increased costs and inflationary trends reduced the protection provided by your policy? Building and Business Personal Property insurance limits, once adequate, may no longer meet today's repair or replacement costs.

To help compensate for these inflationary trends, the limits of insurance for Building and/or Business Personal Property coverages have been increased by a modest percentage. To keep your policy current with rising labor costs and normal business growth, the payroll and/or revenue have also been increased by a modest percentage.

This renewal offer includes the adjusted limits of insurance, payroll, revenue, and premium for your policy. The adjustments are relatively small, and they're based on estimated increases in the past year's construction and repair costs, as well as other inflationary factors, such as rising labor costs and normal business growth.

These increases do not guarantee adequate coverage for any loss; they are based on estimates. It is possible, for example, that updates or improvements to your property or increased sales might cause your individual needs for coverage to be greater than the amount provided by these adjustments. If you have not reviewed your policy recently, the effects of inflationary changes over time create the likelihood that the increases we made are less than the increases you need for optimal coverage.

These changes are made to better serve your insurance needs, and we encourage you to contact your Farmers<sup>®</sup> agent, who will be pleased to help you with a comprehensive review of your policy.

Acceptance of these changes does not waive the provisions of the coinsurance clause or any other policy clause.

Thank you for choosing Farmers. We appreciate your business.





**J7131**  
1st Edition

## **DISHONESTY EXCLUSION - TENANT VANDALISM EXCEPTION**

This endorsement modifies insurance provided under the:

APARTMENT OWNERS PROPERTY COVERAGE FORM  
BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM  
CONDOMINIUM PROPERTY COVERAGE FORM

1. Paragraph **2.e. Dishonesty** of Section **B. Exclusions** in the Apartment Owners Property Coverage Form and the Condominium Property Coverage Form is deleted and replaced with the following:

**e. Dishonesty**

- (1) Dishonest or criminal acts by you, anyone else with an interest in the property, or any of your or their partners, employees, directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:
  - (a) Acting alone or in collusion with others; and
  - (b) Whether or not occurring during the hours of employment.
- (2) This exclusion does not apply to:
  - (a) Acts of destruction, including vandalism by your employees; but theft by employees is not covered;
  - (b) Acts of destruction, including vandalism, or theft by a tenant who rents or leases a unit directly from you; or
  - (c) Carriers for hire with respect to accounts receivable and "valuable papers and records".

2. Paragraph **2.f. Dishonesty** of Section **B. Exclusions** in the Businessowners Special Property Coverage Form is deleted and replaced with the following:

**f. Dishonesty**

- (1) Dishonest or criminal acts by you, anyone else with an interest in the property, or any of your or their partners, employees, directors, trustees, authorized representatives or anyone to whom you entrust the property for any purpose:
  - (a) Acting alone or in collusion with others; and
  - (b) Whether or not occurring during the hours of employment.
- (2) This exclusion does not apply to:
  - (a) Acts of destruction, including vandalism by your employees; but theft by employees is not covered;
  - (b) Acts of destruction, including vandalism, or theft by your tenants; or
  - (c) Carriers for hire with respect to accounts receivable and "valuable papers and records".

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.



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## LIMITED BIOHAZARDOUS SUBSTANCE COVERAGE

This endorsement modifies insurance provided under the:

APARTMENT OWNERS PROPERTY COVERAGE FORM  
BUSINESSOWNERS COVERAGE FORM  
BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM  
CONDOMINIUM PROPERTY COVERAGE FORM

### SCHEDULE

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

**A.** The following is added under Section **A.5. Additional Coverages** in the applicable Property Coverage Form:

#### Limited Biohazardous Substance Coverage

If a "biohazardous substance" resulting from the death of a tenant or guest causes direct physical damage to covered property, and if all reasonable means were used to save and preserve the property from further damage upon discovery of human remains:

1. We will pay for loss of or damage by a "biohazardous substance". As used in this Limited Coverage, the term loss or damage means:
  - a. Direct physical loss or damage to Covered Property at the described premises caused by or resulting from a "biohazardous substance" including the cost of the removal of human remains and any resulting "biohazardous substance";
  - b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "biohazardous substance"; and
  - c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided it is reasonable to believe that a "biohazardous substance" is present.
2. The most we will pay under this Limited Coverage for the sum of all loss or damage arising resulting from the death of a tenant or guest is \$10,000 per occurrence subject to an aggregate limit of \$20,000 per policy year, unless another Limit of Insurance is shown on the Declarations. These limits are subject to, and not in addition to the applicable Limit of Insurance on the affected property. Payments under this Limited Coverage are subject to and not in addition to the applicable Limit of Insurance on any Covered Property.
3. If there is covered loss or damage to Covered Property not caused by a "biohazardous substance" loss payment will not be limited by the terms of this Limited Coverage, except to the extent that a "biohazardous substance" causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.
4. If there is covered loss or damage to Covered Property caused by a "biohazardous substance" resulting from the death of a tenant or guest by fire or lightning loss payment will not be limited by the terms of this Limited Coverage.

5. The following applies only if Business Income or Extra Expense Coverage applies to the described premises and only if the suspension of "operations" satisfies all terms and conditions of the applicable Business Income and/or Extra Expense coverage.
  - a. If the loss which resulted in the presence of a "biohazardous substance" does not in itself necessitate a suspension of "operations", but such suspension is necessary due to loss or damage to property caused by such "biohazardous substance", we will pay for the actual loss of business income and extra expense you sustain. However, we will only pay for loss of business income and extra expense sustained in a period of not more than 30 days. The days need not be consecutive.
  - b. If a covered suspension of "operations" was caused by loss or damage other than the presence of a "biohazardous substance", but remediation of such "biohazardous substance" prolongs the "period of restoration", we will pay for the actual loss of business income and extra expense you sustain during the delay (regardless of when such a delay occurs during the "period of restoration") but such coverage is limited to 30 days. The days need not be consecutive.
6. The following applies to Association Fees and Extra Expense coverage:
  - a. If the loss which resulted in the presence of a "biohazardous substance" does not in itself render a unit uninhabitable, but such unit is uninhabitable due to loss or damage to property caused by such "biohazardous substance", then our payment under the Association Fees and Extra Expense coverage is limited to the amount of lost fees and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
  - b. If loss or damage other than the presence of a "biohazardous substance" renders a unit uninhabitable, but remediation of such "biohazardous substance" prolongs the "period of restoration", we will pay for such loss of Association Fees and/or Extra Expense you sustain during the delay (regardless of when such a delay occurs during the "period of restoration") but such coverage is limited to 30 days. The days need not be consecutive.

**B. Section H. Property Definitions** of the applicable Property Coverage Form is revised as follows:

1. The following definition is added:

"Biohazardous substance" means:

- a. Human blood;
- b. Bodily fluids;
- c. Potentially infectious materials; or
- d. Any virus, bacterium, or other microorganism that induces or is capable of inducing physical distress, illness or disease;

emanating from human remains that requires a bio-hazard clean up and material disposal.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.



**J7122**  
1st Edition

**LOSS PAYMENT CONDITION -  
PROFIT, OVERHEAD, AND INCREASED FEES**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS COVERAGE FORM  
BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM  
APARTMENT OWNERS PROPERTY COVERAGE FORM  
CONDOMINIUM PROPERTY COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the applicable Coverage Form apply unless modified by this endorsement.

Paragraph **6.d.** of Sub-section **E. Property Loss Conditions** of Section **I - PROPERTY** of the Businessowners Coverage Form, Paragraph **6.d.** of Section **E. Property Loss Conditions** of the Businessowners Special Property Coverage Form and the Apartment Owners Property Coverage Form, and Paragraph **5.d.** of Section **E. Property Loss Conditions** of Condominium Property Coverage Form is amended as follows:

Sub-paragraph **(1)** is amended to add the following:

**(f)** We will not pay for the increased fee, charge or cost attributable to a general contractor's profit and overhead or other similar fees or charges, unless you have incurred and paid for them and they are reasonable.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



**J7493**  
1st Edition

## WINDSTORM OR HAIL LOSS CONDITIONS AMENDMENT

This endorsement modifies insurance provided under the:

APARTMENT OWNERS PROPERTY COVERAGE FORM  
BUSINESSOWNERS COVERAGE FORM  
BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM  
CONDOMINIUM PROPERTY COVERAGE FORM

- A.** Section **E. Property Loss Conditions** in the Apartment Owners Property Coverage Form, Businessowners Special Property Coverage Form and Condominium Property Coverage Form is amended as follows:
- 1.** Paragraph **3. Duties In The Event Of Loss Or Damage** is amended to delete sub-paragraph **a.(2)** and replace it with the following:
    - (2)** Give us prompt notice of the loss or damage. Include a description of the property involved. With respect to any claim for windstorm or hail damage, notice of a claim for such damage must be reported to us within one year after the date of loss or damage. If notice is given to us more than one year after the date of loss or damage, this policy shall not provide coverage for such claims.
- B.** Paragraph **E. Property Loss Conditions** in **Section I Property** of the Businessowners Coverage Form is amended as follows:
- 1.** Sub-paragraph **3. Duties In The Event Of Loss Or Damage** is amended to delete item **a.(2)** and replace it with the following:
    - (2)** Give us prompt notice of the loss or damage. Include a description of the property involved. With respect to any claim for windstorm or hail damage, notice of a claim for such damage must be reported to us within one year after the date of loss or damage. If notice is given to us more than one year after the date of loss or damage, this policy shall not provide coverage for such claims.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

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

## **WAR LIABILITY EXCLUSION**

This endorsement modifies insurance provided under the following:

APARTMENT OWNERS LIABILITY COVERAGE FORM  
CONDOMINIUM LIABILITY COVERAGE FORM

The following provisions are added to the applicable Liability Coverage Form :

**A. Exclusion j. under Paragraph B.1. Exclusions Applicable To Business Liability Coverage** is replaced by the following:

**1. Applicable To Business Liability Coverage**

This insurance does not apply to:

**j. War**

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

- (1)** War, including undeclared or civil war; or
- (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.

**B. Exclusion h. under Paragraph B.2. Exclusions Applicable To Medical Expenses Coverage** does not apply. Medical Expenses due to war are now subject to Exclusion g. of Paragraph B.2. since "bodily injury" arising out of war is now excluded under Paragraph B.1., **Exclusions Applicable To Business Liability Coverage.**



## CYBER INCIDENT EXCLUSION

This endorsement modifies insurance provided under the following:

**APARTMENT OWNERS PROPERTY COVERAGE FORM**  
**BUSINESSOWNERS COVERAGE FORM**  
**BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM**  
**CONDOMINIUM PROPERTY COVERAGE FORM**

**A. Paragraph B. Exclusions** is amended as follows:

**1. The following exclusion is added:**

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

**Cyber Incident**

- a. Unauthorized access to or use of any computer system (including "electronic data").**
- b. Malicious code, virus or any other harmful code that is directed at, enacted upon or introduced into any computer system (including "electronic data") and is designed to access, alter, corrupt, damage, delete, destroy, disrupt, encrypt, exploit, use or prevent or restrict access to or the use of any part of any computer system (including "electronic data") or otherwise disrupt its normal functioning or operation.**
- c. Denial of service attack which disrupts, prevents or restricts access to or use of any computer system, or otherwise disrupts its normal functioning or operation.**

**2. Exceptions And Limitations**

**a. Fire Or Explosion**

If a cyber incident as described in Paragraphs **A.1.a.** through **A.1.c.** of this exclusion results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

**b. Computer Fraud And Funds Transfer Fraud Coverage**

The exclusion in Paragraph **A.1.** does not apply to Computer Fraud And Funds Transfer Fraud Coverage when attached to your policy.

**c. Cyber Liability And Data Breach Response Coverage Form**

The exclusion in Paragraph **A.1.** does not apply to the Cyber Liability And Data Breach Response Coverage Form when attached to your policy.

**d. Social Engineering Coverage**

The exclusion in Paragraph **A.1.** does not apply to Social Engineering Coverage when attached to your policy.

**3. Vandalism**

The following is added to Vandalism:

Vandalism does not include a cyber incident as described in Paragraph **A.1.**

**B. For the purposes of this endorsement, the following definitions apply:**

**1. "Computer" means:**

- a. Programmable electronic equipment that is used to store, retrieve and process data; and**

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

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

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

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



**J7504**  
1<sup>st</sup> Edition

## COSMETIC DAMAGE EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided under the:

APARTMENT OWNERS PROPERTY COVERAGE FORM  
CONDOMINIUM PROPERTY COVERAGE FORM  
BUSINESSOWNERS SPECIAL PROPERTY COVERAGE FORM

### SCHEDULE

Premises Number	Building Number
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A.** The following provision applies with respect to the building(s) identified in the Schedule above:

We will not pay for "cosmetic damage" caused by windstorm or hail to metal roof surfaces, "metal roof materials", or "metal exterior building surfaces" that are part of the buildings and structures.

**B.** For purposes of this endorsement, the following definitions apply:

**1.** "Cosmetic damage" means:

Marring, pitting or other superficial damage that has altered the exterior appearance of the metal roof surfaces, "metal roof materials", "metal exterior building surfaces", and/or their finishes, caused by windstorm or hail. This includes, but is not limited to, any disfigurement, blemish, discoloration, weathering, stretching, scratching, chipping, cracking, scorching, denting, creasing, gouging, fading, staining, tearing, oxidizing, blistering, or thinning.

**2.** "Metal roof materials" include:

- a.** All metal component parts of the roof which are exposed to the weather, including those which extend above the surface of the roof, including, but not limited to all vents, vent caps, turbines and piping;
- b.** Any materials that are installed when repairing or replacing "metal roof materials", including, but not limited to, sheathing, decking, and flashing.

**3.** "Metal exterior building surfaces" include:

- a.** HVAC unit enclosures, covered parking structures, skylights, flashings, chimney caps, siding, doors, roofs, walls, window frames and gutters.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

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

## **CALCULATION OF PREMIUM**

This endorsement modifies insurance provided under the following:

APARTMENT OWNERS POLICY  
CONDOMINIUM POLICY

The following is added:

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



**EXCLUSION - VIOLATION OF STATUTES THAT GOVERN  
E-MAILS, FAX, PHONE CALLS OR OTHER METHODS OF  
SENDING MATERIAL OR INFORMATION**

This endorsement modifies insurance provided under the following:

APARTMENT OWNERS LIABILITY COVERAGE FORM

BUSINESSOWNERS COVERAGE FORM

CONDOMINIUM LIABILITY COVERAGE FORM

The following exclusion is added to Paragraph B. Exclusions - Applicable To Business - Liability Coverage.

**B. Exclusions**

This insurance does not apply to:

**DISTRIBUTION OF MATERIAL IN VIOLATION OF STATUTES**

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

- a. The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
- b. The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- c. Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.



## EMPLOYEE DISHONESTY - PROPERTY MANAGER

With respect to coverage provided by this endorsement, the provisions of the coverage form apply unless modified by this endorsement.

This endorsement modifies insurance provided under the following:

### CONDOMINIUM PROPERTY COVERAGE FORM

A. Paragraph G.5.j. under **Optional Coverages - Employee Dishonesty** is deleted and replaced by the following:

- j. With respect to coverage provided under this Optional Coverage, "employee" means any natural person who receives compensation for working in your regular service in the ordinary course of your business.
  - (1) "Employee" also includes your directors and officers, whether compensated or not.
  - (2) "Employee" additionally includes any natural person acting solely as an employee of a real estate property management firm while that person is performing real estate management duties for the named insured.
  - (3) "Employee" does not include any broker, consignee, contractor or other agent or representative of the same general character (other than a property management company). Additionally, "employee" does not include any director or trustee of the real estate property management firm except while performing acts within the scope of the usual duties of its' employee.

**Employee Dishonesty** coverage does not apply when any Association director, officer or managers is performing duties outside the scope of his or her normal duties as an Association director, officer or manager for the Named Insured.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.



**J6351**  
2nd Edition

**LIMITED TERRORISM EXCLUSION  
(OTHER THAN CERTIFIED ACTS OF TERRORISM);  
CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

This endorsement modifies insurance provided under the policy number indicated above.

**SCHEDULE**

The <b>Exception Covering Certain Fire Losses</b> (Paragraph <b>B.2.</b> ) applies to property located in the following state(s):
California, Hawaii, Iowa, Illinois, Massachusetts, Maine, Missouri, North Carolina, New Jersey, New York, Oregon, Rhode Island, Virginia, Washington, Wisconsin, West Virginia
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**A.** The following definitions are added with respect to the provisions of this endorsement:

1. "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:
  - a. 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
  - b. 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.
2. "Other act of terrorism" means a violent act or an act that is dangerous to human life, property or infrastructure that is committed by an individual or individuals and that appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion, and the act is not certified as a terrorist act pursuant to the federal Terrorism Risk Insurance Act. However, "other act of terrorism" does not include an act which meets the criteria set forth in Paragraph **b.** of the definition of "certified act of terrorism" when such act resulted in aggregate losses of \$5 million or less.

**B.** The **Property Coverage Form** attached to this policy is amended as follows:

1. The following exclusion is added:

**EXCLUSION OF AN "OTHER ACT OF TERRORISM"**

We will not pay for loss or damage caused directly or indirectly by an "other act of terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. But this exclusion applies only when one or more of the following are attributed to such act:

- a. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
- b. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials; or

- c. The total of insured damage to all types of property in the United States, its territories and possessions, Puerto Rico and Canada exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the terrorism and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions. Multiple incidents of "other acts of terrorism" which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident.

With respect to this item, **B.1.c.** the immediately preceding paragraph describes the threshold used to measure the magnitude of an "other act of terrorism" and the circumstances in which the threshold will apply, for the purpose of determining whether this exclusion will apply to that incident. When the exclusion applies to an "other act of terrorism", there is no coverage under this Policy.

## **2. Exception Covering Certain Fire Losses**

The following exception to the Exclusion in Paragraph **B.1.** applies only if indicated and as indicated in the Schedule of this endorsement.

If an "other act of terrorism" results in fire, we will pay for the loss or damage caused by that fire, subject to all applicable policy provisions including the Limit of Insurance on the affected property. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the exception does not apply to insurance provided under business income and/or extra expense coverage or endorsements that apply to those coverages.

## **C. The Liability Coverage Form attached to this policy is amended as follows:**

### **1. The following exclusion is added:**

This insurance does not apply to:

#### **TERRORISM**

"Any injury or damage" arising, directly or indirectly, out of an "other act of terrorism". However, this exclusion applies only when one or more of the following are attributed to such act:

- a. The total of insured damage to all types of property exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the terrorism and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or
- b. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
- (1) Physical injury that involves a substantial risk of death; or
  - (2) Protracted and obvious physical disfigurement; or
  - (3) Protracted loss of or impairment of the function of a bodily member or organ; or
- c. The terrorism involves the use, release or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or
- d. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
- e. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.

With respect to this exclusion, Paragraphs **C.1.a.** and **b.** describe the thresholds used to measure the magnitude of an incident of an "other act of terrorism" and the circumstances in which the threshold will apply for the purpose of determining whether this exclusion will apply to that incident.

2. The following definition is added:

- a. For the purposes of this endorsement, "any injury or damage" means any injury or damage covered under any Coverage Form to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage" or "personal and advertising injury" as may be defined in any applicable Coverage Form.

**D. APPLICATION OF OTHER EXCLUSIONS**

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for loss or injury or damage that is otherwise excluded under this Policy.

**E. CAP ON CERTIFIED TERRORISM LOSSES**

The following limitation applies to property and liability coverage for any one or more "certified acts of terrorism" that are not excluded by the terms of Paragraph **D**.

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.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.



## COLORADO CHANGES

This endorsement modifies insurance provided under the following:

### **APARTMENT OWNERS POLICY CONDOMINIUM POLICY**

**A.** The applicable LIABILITY COVERAGE FORM is revised as follows:

The term "spouse" is replaced by the following:

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

**B.** The applicable COMMON POLICY CONDITIONS form is revised as follows:

**1.** Condition **A. Cancellation** is amended as follows:

**a.** Paragraph **A.2.** is deleted and replaced with the following:

**2. a.** If this policy has been in effect for less than 60 days, we may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

**(1)** 10 days before the effective date of cancellation if we cancel for non-payment of premium; or

**(2)** 30 days before the effective date of cancellation if we cancel for any other reason.

**b.** If this policy has been in effect for 60 days or more, or is a renewal of a policy we issued, we may cancel this policy by mailing through first class mail to the first Named Insured written notice of cancellation at least:

**(1)** 10 days before the effective date of cancellation, if we cancel for non-payment of premium; or

**(2)** 45 days before the effective date of cancellation if we cancel for any other reason.

**c.** We may only cancel this policy based on one or more of the following reasons:

**(1)** Non-payment of premium;

**(2)** A false statement knowingly made by the insured on the application for insurance; or

**(3)** A substantial change in the exposure or risk other than that indicated in the application and underwritten as of the effective date of the policy unless the first Named Insured has notified us of the change and we accept such change.

**d.** Our notice of cancellation will state the reason for cancellation if we cancel for any reason other than non-payment of premium.

**b.** Paragraph **A.6.** is deleted in its entirety.

**2.** Condition **C. Concealment, Misrepresentation Or Fraud** is deleted and replaced with the following:

**C. Concealment, Misrepresentation Or Fraud**

We will not pay for any loss or damage in any case of:

**1.** Concealment or misrepresentation of a material fact; or

**2.** Fraud;

committed by you or any other insured ("insured") at any time and relating to coverage under this policy.



3. The following Condition is added and supersedes any other provision to the contrary:

**M. Nonrenewal**

If we decide not to renew this policy, we will mail through first-class mail to the first Named Insured shown in the Declarations written notice of the nonrenewal at least 45 days before the expiration date, or its anniversary date if it is a policy written for a term of more than one year or with no fixed expiration date.

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

4. The following Condition is added:

**N. Increase In Premium Or Decrease In Coverage**

We will not increase the premium unilaterally or decrease the coverage benefits on renewal of this policy unless we mail through first-class mail written notice of our intention, including the actual reason, to the first Named Insured's last mailing address known to us, at least 45 days before the effective date.

Any decrease in coverage during the policy term must be based on one or more of the following reasons:

1. Nonpayment of premium;
2. A false statement knowingly made by the insured on the application for insurance; or
3. A substantial change in the exposure or risk other than that indicated in the application and underwritten as of the effective date of the policy unless the first Named Insured has notified us of the change and we accept such change.

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

- C. The CONDOMINIUM COMMON POLICY CONDITIONS form is amended as follows:

Paragraph H. **Other Insurance** is deleted and replaced with the following:

**H. Other Insurance**

1. If there is other insurance covering the same loss or damage, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.
2. This policy's Condominium Liability Insurance is excess over any other insurance that insures for direct physical loss or damage.
3. When this insurance is excess, we will have no duty under Condominium Liability Insurance to defend any claim or "suit" that any other insurer has a duty to defend. If no other insurer defends, we will undertake to do so; but we will be entitled to the insureds rights against all those other insurers.
4. 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 endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all the terms of the policy.

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



**J7230**  
1st Edition

## **SUPPLEMENTARY PAYMENTS**

This endorsement modifies insurance provided under the following:

APARTMENT OWNERS LIABILITY COVERAGE FORM  
BUSINESSOWNERS COVERAGE FORM  
BUSINESSOWNERS LIABILITY COVERAGE FORM  
CONDOMINIUM LIABILITY COVERAGE FORM

Paragraph **d.** or **f. Coverage Extension Supplementary Payments** of the applicable coverage form is deleted and replaced with the following:

### **Coverage Extension Supplementary Payments**

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

- (a)** All expenses we incur.
- (b)** Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which Business Liability Coverage for "bodily injury" applies. We do not have to furnish these bonds.
- (c)** The cost of bonds to release attachments, but only for bond amounts within our Limit of Insurance. We do not have to furnish these bonds.
- (d)** All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
- (e)** All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
- (f)** Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- (g)** All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within our Limit of Insurance.

These payments will not reduce the limit of liability.

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

- (a)** The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
- (b)** This insurance applies to such liability assumed by the insured;
- (c)** The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";
- (d)** The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
- (e)** The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
- (f)** The indemnitee:
  - (i)** Agrees in writing to:

- i. Cooperate with us in the investigation, settlement or defense of the "suit";
      - ii. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
      - iii. Notify any other insurer whose coverage is available to the indemnitee; and
      - iv. Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
    - (ii) Provides us with written authorization to:
      - i. Obtain records and other information related to the "suit"; and
      - ii. Conduct and control the defense of the indemnitee in such "suit".
  - (3) So long as the conditions in Paragraph (2) are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Subparagraph b.(2) of the Contractual Liability Exclusion, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the Limits of Insurance.
- Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:
- (a) We have used up the applicable Limit of Insurance in the payment of judgments or settlements; or
  - (b) The conditions set forth above, or the terms of the agreement described in Paragraph (2)(f) above, are no longer met.

This endorsement is part of your policy. It supersedes and controls anything to the contrary. It is otherwise subject to all other terms of the policy.

## ADDITIONAL CONDITIONS

Applicable only if this policy is issued by the Truck Insurance Exchange or Farmers Insurance Exchange

## RECIPROCAL PROVISIONS

As used in these provisions the term "Underwriters Association" means the Truck Underwriters Association or the Farmers Underwriters Association respectively, attorney-in-fact for the Insurance Exchange issuing the policy.

This policy is made and issued in consideration of your premium payment to us. It is also issued in consideration of the information you gave to us during the application process, some of which is set out in the policy Declarations, and in consideration of the Subscription Agreement, which is provided to you and is incorporated herein by reference. You acknowledge that you have read, understood and agree to all the terms and conditions of the Subscription Agreement. Among other things, the Subscription Agreement appoints your Attorney-in-Fact, authorizes your Attorney-in-Fact to execute interinsurance policies between you and other subscribers and to perform various functions, and addresses compensation of the Attorney-in-Fact.

Nothing in this policy is intended, or shall be construed, to create either:

- a. A partnership or mutual insurance association, or
- b. Any joint liability.

We may sue or be sued in our own name, as though we were an individual, if necessary to enforce any claims which arise under this policy. In any suit against us, service of process shall be under the Underwriters Association attorney-in-fact. Membership fees which you pay are not part of the premium. They are fully earned when you are granted membership and coverage is effective. They are not returnable. However, they may be applied as a credit to membership fees required you for other insurance which we agree to write.

We hold the Annual Meeting of the members of the Truck Insurance Exchange at our Home Office at Los Angeles, California, on the first Tuesday following the first Monday following the 15th day of March of each year at 1:00 p.m. If this policy is issued by the Farmers Insurance Exchange such meeting is held at the same place on the first Monday following the 15th of March of each year at 2:00 P.M. The Board of Governors may elect to change the time and place of the meeting. If they do so, you will be mailed a written or printed notice at your last known address at least ten days before such a time. Otherwise, no notice will be sent to you.

The Board of Governors shall be chosen by subscribers from among yourselves. This will take place at the Annual Meeting or at any special meeting which is held for that purpose. The Board of Governors shall have full power and authority to establish such rules and regulations for our management as are not inconsistent with the subscribers' agreements.

Your premium for this policy and all payment made for its continuance shall be payable to us at our Home Office or such location named by us in your premium notice. The funds which you pay shall be placed to your credit on our records. They will be applied to the payment of your proportion of losses and expenses and to the establishment of reserves and general surplus. The Board of Governors or its Executive Committee has the authority to deposit, withdraw, invest and reinvest such funds. You agree that any amount which the Board of Governors allocates to our surplus fund may be retained by us. Also, after provision is made for all of our liabilities, it may be applied to any purpose deemed proper and advantageous to you and other policyholders.

This policy is nonassessable.

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## SPECIAL PROVISIONS

(Applicable only if this policy is issued by Mid-Century Insurance Company.)

Policy fees which you pay are not part of the premium. They are fully earned when the policy is issued. They are not returnable. However, they may be applied as a credit to policy fees required of you for other insurance which we agree to write.

This policy shall not be effective unless countersigned on the Declarations page by a duly authorized representative of the Company named on the Declarations Page.

The Company named on the Declarations has caused this policy to be signed by the officers shown below.

### FARMERS INSURANCE EXCHANGE

By Farmers Underwriters Association,  
Attorney-in-Fact

### MID-CENTURY INSURANCE COMPANY

### TRUCK INSURANCE EXCHANGE

By Truck Underwriters Association,  
Attorney-in-Fact

  
Secretary  
President